

Next Step Test Prep Ensures  
Compliance and Builds  
Scalable Hiring Practices  
with Launchways



## Executive Summary

As Next Step Test Prep began to grow rapidly, they encountered challenges with scaling their team and handling compliance issues across state lines. Launchways implemented sound compliance practices and a streamlined new-hire onboarding process to help Next Step overcome these growing pains. Launchways' scalable people processes allowed Next Step to grow rapidly, eventually leading to their acquisition.

## Company Overview

Next Step Test Preparation is a fast-growing, e-learning organization that delivers customized, one-on-one prep for the major graduate entrance exams including GMAT, LSAT, GRE, and MCAT. Next Step provides services digitally and in-person in 15 markets across the U.S.

## Case Study Highlights

### Challenges

- Struggled to maintain compliance with state and federal regulations during period of fast growth
- Lacked the processes and infrastructure to support rapid hiring
- No thoughtful strategy around benefits offerings

### Solutions

- Implemented compliance support solution, ensuring business compliance
- Completed employee file audit to ensure Department of Labor standards were met
- Created and distributed employee handbook and safety materials
- Built streamlined hiring and onboarding processes
- Strategic benefits program designed to be more competitive in attracting talent
- Designed and implemented improved benefits offering
- Provided support during company acquisition

### Results

- Regulatory fine avoidance by resolving all potential compliance issues
- Achieved growth targets with the right people in the right seats
- Business was sought after by large industry player and eventually acquired

## Fast Growth Presented Challenges Handling Compliance and Scaling Processes

Founded in 2009 as a lean startup, Next Step Test Prep quickly gained traction in the market. As rapid growth led to multi-state expansion and extensive hiring, Next Step Founder and CEO John Rood soon faced compliance challenges as he scaled his operation. John stated "As we grew the team and began expanding into additional states, all the state-specific compliance and HR regulations became a huge challenge to manage."

Additionally, Next Step's fast-grow required rapid expansion

of their team size. Scaling his team presented another challenge for John: "We had previously been operating leanly, but soon realized we didn't have the bandwidth to support rapid hiring and new-hire onboarding along with dealing with changing compliance regulations."

Finally, as John's company took off, he soon realized the employee benefits program they had previously put in place would not support the company's long-term growth. John noted that "before we really started to grow we hadn't given a great deal of thought to how we were handling employee benefits. Once we gained traction, getting benefits sorted out

*“With Launchways' help we were able to grow more quickly, allowing us to meet aggressive financial objectives.”*



became a priority."

## Launchways Handles Compliance, Scales Hiring Processes, and Builds a Better Benefits Program

To tackle Next Step's compliance challenges, Launchways implemented our compliance support solution. Launchways' compliance specialists started by completing an employee file audit to ensure all Department of Labor standards were met. Then, the Launchways team created a comprehensive employee handbook and safety program and distributed all required materials to Next Step's employees. Finally, Launchways provided ongoing compliance support to Next Step's leadership team, addressing additional compliance, payroll, and tax regulation concerns as they arose. John said "the biggest thing Launchways did for us was completely take on all our compliance. For me, it was completely hands-off. If I received a notice or something I wasn't sure of—I sent it to the team at Launchways and knew it was taken care of. For me, this resulted in huge time-savings. I used this time to focus on growing my business."

The Launchways team also built scalable, efficient hiring practices to help support Next Step's rapid growth. Streamlined hiring, onboarding, training, and compliance processes supported a large influx of new-hires. John added "Launchways' help on HR processes helped us grow more quickly and be able to target and achieve better financial objectives."

Finally, the Launchways team did a deep dive on Next Step's existing benefits offerings. As Next Step planned to hire several key leadership team members, along with a large support staff, it was important their benefits offering could help them attract top talent. John noted "Launchways helped us by benchmarking our offerings against industry standards, so we could better understand where we stood and make informed decisions about our benefits offerings moving forward." Launchways' benefits specialists then implemented Next Step's new benefits program.

## Next Step Successfully Grows and is Acquired by a Key Industry Player

Next Step's work with Launchways resulted in the compliance protection, scalable hiring processes, and saved time the organization's leadership team used to focus on growth.

John said "We were expanding rapidly and hiring quickly. We didn't have time to stop and deal with compliance challenges. The extra time I saved from working with Taylor Grow allowed me to focus my time on growing my business, hiring and training new employees, and expanding our product and service offerings."

**"Launchways' support helped us ensure we were complaint and that we built scalable people processes that could support our growth."**

With Launchways' implemented solutions and continued compliance support, Next Step scaled quickly. In 2017, a large player in the e-learning space became interested in acquiring Next Step. Launchways' team provided extensive support and guidance to Next Step during the acquisition process. John recalled "When someone was interested in buying my business, I had Launchways' team there to support me through the process. There were a number of compliance considerations along with insurance information that had to be assembled. Launchways worked with us throughout the HR diligence process to provide all the required documentation in a timely matter. Because of Launchways' help, the acquisition process was streamlined and successful."

Next Step's success was a result of their ability to get the right people in the right seats quickly enough to support rapid market traction. By removing compliance roadblocks and building the appropriate people infrastructure, Launchways played a large role in Next Step's growth. John said "Launchways' support helped us ensure we were complaint and that we built scalable people processes that could support our growth. With Launchways' help we were able to grow more quickly, allowing us to meet aggressive financial objectives. I believe Launchways played a large part in our long-term success and in our ability to be acquired. I see Launchways as a critical partner in our growth story."

**"I believe Launchways played a large part in our long-term success and in our ability to be acquired. I see Launchways as a critical partner in our growth story."**

**Build scalable people solutions to support your growth.**

Visit [www.launchways.com](http://www.launchways.com) or call 312-867-1100.

