

2 A.M. WORRIES: WHAT KEEPS SMALL BUSINESS OWNERS UP AT NIGHT



Running a small business means playing multiple roles every day — from CEO and HR manager to compliance officer and growth strategist.

Sure, it's rewarding to watch your business grow. But it also comes with stressful challenges that can leave small business owners lying wide awake in the middle of the night.

If you're like most growth-focused business owners, here's what's on your mind:

- Do we have our compliance obligations under control?
- What are we overlooking in terms of risk management?
- Are we set up to scale successfully?
- How do we hire better and get people to stick around longer?

Let's dive little deeper into each of these areas.

The compliance minefield. What starts out as a manageable task for a small team can quickly become a complex web of federal, state and local regulations.



Think about it: Each new state you expand into has its own payroll taxes, labor laws and workplace rules. What works perfectly in your home state may violate regulations in other states. And the stakes are real — over 30 new state employment laws went into effect in 2025 alone.¹ That's nearly impossible to stay on top of if you're not a compliance expert.

The reality of risk. The numbers tell a sobering story. Unsafe work environments can result in fines of up to \$16,550.² And what if healthcare plans don't meet minimum standards? That's up to \$2,570 per employee.³ These aren't abstract penalties — they're budget-busting hits that can derail your growth plans overnight.



The U.S. Department of Labor enforces over 180 laws⁴ designed to protect employees, and staying current with all of them requires expertise that most small business owners simply don't have time to develop.



The scaling paradox. Growth should be a cause for celebration, right? But it often brings chaos instead of clarity. Every new hire, new location or new system adds operational complexity that can quickly overwhelm your existing processes.

The challenge isn't growth itself — it's scaling effectively. When HR, payroll and compliance functions are patched together with different systems and manual processes, businesses absorb unnecessary risk and inefficiency. What worked for 10 employees becomes unmanageable at 50 and completely breaks down at 100.

Laying the foundation now with smart, streamlined and integrated processes and technology will ease your growing pains later.

The talent tightrope. Attracting and retaining the right people for your business presents another layer of midnight worries.



First impressions matter greatly for new hires. A clunky first week is hard to recover from, yet many small businesses lack the resources needed to create the kind of polished onboarding experience that makes new team members feel confident and connected from day one.

Don't forget about benefits. In today's competitive job market, a generic benefits package just doesn't cut it. Only 47% of employees feel their benefits match their needs⁵, which means talented people are looking elsewhere for better options. Start thinking in terms of total compensation packages and how you can personalize the benefits you offer to maximize their appeal.

When ambition outpaces resources

Have you spotted the common thread across these four midnight worries? It's HR complexity.

Small businesses need the same level of HR sophistication as larger companies, but most, unfortunately, lack the resources to build it internally. The solution isn't necessarily hiring more people or learning more regulations — it's finding ways to access enterprise-level capabilities without enterprise-level overhead.

Running a business will always come with challenges. The key is recognizing when it's time to get help — before problems become big enough to keep you up at night.



STRATEGIC GROWTH STARTS WITH SMART HR

Each milestone in your business growth brings new responsibilities that require expertise most small business owners are trying to learn on the fly. You may not be ready to hire a full-on HR team, but that doesn't mean you have to do it alone.

Solutions like ADP TotalSource[®], our professional employer organization (PEO), can be your go-to support system.

By offloading time-consuming tasks to a full-service HR partner, you're able to free up time to think more strategically. Plus, you'll have an entire team that excels in monitoring changing laws, integrating payroll and benefits, providing friction-free onboarding and everything else you need to grow without the guesswork.

Check out how a PEO can simplify your ability to manage compliance, risk, growth, talent and so much more.

¹ Ogletree Deakins, Key State Laws to Take Effect January 1, 2025.

² Occupational Safety and Health Administration, OSHA Penalties, 2025.

³ Cigna Healthcare, Employer Mandate, 2025.

⁴ U.S. Department of Labor, Summary of the Major Laws of the Department of Labor, 2025.

⁵ 2024 Employee Benefits Survey, PeopleKeep.