





The Journey from Private to Public

How to Best Prepare to Enter Capital Markets

IPO: The Journey Begins

Companies planning an IPO should begin functioning as a public company well before the offering date. Grant Thornton is a leader in preparing companies for a seamless transition to listed status. We can help you navigate the process, avoid the pitfalls and make the most of your public debut.



- Document procedures
- Identify investment bank and SEC counsel
- Perform system enhancements/updates
- Ensure compliance with SEC disclosure requirements
- Evaluate internal skills/expertise
- Begin recruiting board members
- · Perform compensation review
- · Start corporate housekeeping
- Assemble IPO team
- Review internal controls

- Hold organizational meeting and perform due diligence
- Commence drafting S-1
- Appoint pricing committee
- Hold Board meeting to review S-1 and authorize actions to the filing
- Provide S-1 to the printer

- File S-1
- File listing application
- Receive and respond to comments
- Print Red Herring report
- Begin road show prep and rehearsal

- Distribute Red Herring report
- Roadshow
- · Select IPO date
- Seek Board approval for pre-IPO transactions e.g. capital changes
- File acceleration request with the SEC
- File form 8-A with the SEC
- File Form 3 for officers and directors
- Sign underwriting agreement
- Price offering
- Print financial prospectuses
- Develop funds schedule and wire instructions
- Close offering
- Deliver Prospectus

- File form 10-Q
- File form 10-K
- File 8-K (to provide information on certain specified material events)
- File Form S-8
 (Register securities that will be offered via benefit plan)







IPO Readiness Assessment

IPO Readiness Assessment

A scalable approach

Collaboration and an Integrated Team Makes All the Difference

Meet with key influencers to obtain a deep understanding of current practices, systems, infrastructure and processes across five critical work streams



Corporate
Governance / SOX



Financial Reporting and U.S. GAAP



Tax



Human Capital



Information Technology

Strategic Plan (Building Blocks for Launch Plan)

Once you understand where critical functions are in the spectrum of readiness, you can begin to prioritize and plan how to elevate strategies, processes and practices to effective launch levels.

IPO Readiness Assessment – Cont'd

Function	Working Session Attendees	Meet With Management to:
Corporate Governance / SOX	 CFO General Counsel Corporate Controller Key Process Owners – operational and financial 	 Assist with the identification of significant business processes and related financial controls (entity and activity level, including IT General controls) generally required by public companies (e.g., standard industry risks) Determine key improvement areas and define where measured risk lies
2 Financial Reporting	CFOCorporate ControllerKey accounting personnel	 Review financial statement disclosures to determine SEC-specific accounting issues and disclosures, including quarterly reporting requirements Determine proper basis of accounting to be utilized for International filers Review the closing process to ensure the company will meet public company filing deadlines Identify meaningful MD&A trends, disclosures based on industry benchmarks and certify relevant data is available for inclusion Evaluate the Company's FP&A process
3 Tax	CFOCorporate ControllerTax Director	 Understand legal entity structure defined for newly public company and explore tax structuring alternatives Discuss direct and indirect tax considerations, including tax credits, NOLs, etc. Understand tax function and tax compliance risks, opportunities and reporting obligations Provide an overview of industry benchmarks for tax controls (e.g., FAS109 tax provision, FIN 48 tax positions or comparable International standards, etc.)

IPO Readiness Assessment – Cont'd

Function	Working Session Attendees	Meet With Management to:
4 Human Capital	CFOVP Human ResourcesGeneral Counsel	 Provide an overview of industry benchmarks, including: Total rewards strategy Executive and director compensation trends Proxy disclosure enhancements Compensation philosophy for disclosure Provide a benchmark assessment of Company practices compared to industry practices: total rewards, executive / director compensation, equity / long-term incentives Evaluate current personnel roles and responsibilities in context of public company setting and provide recommendations Review any existing equity incentive plans and evaluate the appropriateness and effectiveness for a public registrant
5 Information Technology	 CFO Chief Information Officer Corporate Controller 	 Understand and evaluate Management's overall IT strategy and its ability to support the compliance and operational requirements to operate as a public entity and any expected growth Review the Company's inventory of IT systems and software platforms for appropriateness and functionality to support complex accounting streams and key operational workflows Evaluate upgrade path to determine if it will suffice for IPO readiness and confirm with Workwise level of SOX compliance of upgraded solution Evaluate compliance with security and privacy standards and regulations necessary for IPO readiness Assess IT operations and processes (e.g., BC / DR, ALM, provision / de-provisioning, change management, SDLC, issue resolution) and identify gaps to requirements / expectations for publicly traded company Provide a benchmark of Company practices and systems compared to industry peers