

Preparing for IPO or SPAC transactions

Aligning services against what may be needed for the various key activities in each phase tailors an approach that fits client-specific needs when preparing for the IPO or SPAC process—regardless of the stage of readiness. Setting up the appropriate governance and project management structure around these items is critical to successfully becoming a public company.



5 things you should know

Accounting and reporting. Reduced time and increased reporting requirements may cause delays and unexpected constraints to the accounting and reporting processes.

Process and systems. System and process constraints are often a bottleneck to meeting reporting requirements, and confirming appropriate budgeting, planning, and forecasting reporting processes for future state.

Internal controls. Considering Sarbanes-Oxley (SOX) and other internal control requirements (e.g., independent internal audit department) with ample implementation time can help with potential success and clean PCAOB audit opinions.

Talent and compensation programs. Supporting future state through a clear resource model and strategic plan is key (and often overlooked) for a successful transition to a public company. Compensation, disclosure, and analysis (CD&A) reporting requirements should also be considered based on filer status.

Corporate governance. Board composition and structure have various requirements influenced by the chosen Listing Exchange and stakeholder expectations. Additional management committees and charters should also be considered.

5 actions you can take

1

Consider factors that will impact reporting standards (e.g., filer status, public company accounting standards, PCAOB audit, accelerated close timeline) to prepare and confirm requirements can be met.

2

Document and stress test processes and systems periodically (including detailed access review), and monitor systems for additional requirements and automation opportunities.

3

Begin by evaluating process and control environment for SOX and Committee of Sponsoring Organizations of the Treadway Commission (COSO) compliance (including implementation of independent internal audit department.) Consider and monitor SOX 404(a) and 404(b) requirements based on filing status (e.g., Emerging Growth Company, Smaller Reporting Company).

4

Memorialize and benchmark compensation philosophy (including board compensation) to align with objectives of talent program. Long and short-term incentive plans should be designed.

5

Prepare a board and management committee matrix based on desired skills, experiences, and diversity contributions. Draft and formalize committee charters and board calendar.

Connect with us

CHRISTINE MURPHY
Managing Director, Deloitte & Touche LLP
christinemurphy@deloitte.com

JEFF BERGNER
Partner, Deloitte & Touche LLP
jbergner@deloitte.com

MIKE DZICZKOWSKI
Partner, Deloitte & Touche LLP
mdziczkowski@deloitte.com

DAVID OBERST
Partner, Deloitte & Touche LLP
doberst@deloitte.com

NICOLE SWENSON
Managing Director, Deloitte & Touche LLP
nswenson@deloitte.com

MAUREEN BUJNO
Managing Director, Deloitte & Touche LLP
mbujno@deloitte.com

ABBY DUNLEAVY
Senior Manager, Deloitte Tax LLP
adunleavy@deloitte.com

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