



## Gearing up for the IPO journey

Every IPO journey is unique—and so are the challenges. Here's how we delivered a customized lab experience to help one of our clients prepare for day one.

- Challenge:** A real estate operating platform was planning to go public, but they were concerned about their readiness to undertake their IPO journey.
- Approach:** We developed and delivered a powerful, virtual IPO Readiness Lab tailored specifically to our client's needs.
- Outcome:** Clear organizational goals to help them prioritize activities and an actionable road map to enhance their ability to both meet their IPO timeline and operate effectively on day one.

As companies grow and consider their future position in the market, an initial public offering (IPO) is often a key milestone. But the IPO journey can be challenging for companies, replete with many twists and turns. Beyond the typical preparation that is needed, market conditions are variable—favorable circumstances can disappear as quickly as they arise. Hence, readiness for an IPO is mission-critical. While the journey is complex, careful planning and guidance can help mitigate these challenges, turning them into opportunities.

Undeterred by the disruption of the COVID-19 pandemic, many companies have continued pursuing opportunities to go public. For our client, a real estate operating platform, it was extremely important to approach their IPO with confidence, knowing that they had a solid understanding of the gaps they needed to address around resources, capacity, processes, and governance. Specific focus areas for them included SEC and financial reporting, corporate governance, internal controls, people, processes and technology, and tax implications.

### A customized and newly virtualized experience

Our IPO Readiness Lab utilizes a systematic process that has helped clients build a road map to success time and again—in person. But due to COVID-19 travel restrictions, we had only six weeks to pilot this, our first virtual IPO Readiness Lab. We leveraged a customizable digital platform to deliver a visually appealing and interactive experience for the client. We tailored the platform with specific action cards relevant to our client's needs. The team also developed a

personalized road map with action items to be addressed by the client in the coming months, leading up to their target listing date. We conducted an immersive exercise across four workstreams to identify action items; discuss milestones, critical success factors, and key decisions; and assign owners and deadlines for each activity.

To help the client address critical challenges, our team identified specific actions they should perform afterward. Key takeaways from the lab included:

- Collaborating at various checkpoints to ensure alignment between the client, its PEI owner, key advisers and stakeholders, and employees to determine and communicate the post-IPO structure of the company
- Establishing a detailed project plan in preparation for the effective S-1 date (initial registration form for new securities required by the SEC for public companies based in the United States) to ensure all activities are efficiently coordinated and deadlines are met.
- Establishing a disclosure committee and identifying prospective members, information to be disclosed, a communication cadence, and reporting timeline in order to provide the governance framework and meet external reporting requirements.

- Strategically aligning on the key metrics to be disclosed by the company publicly (Note: Once information is first provided to the market, the expectation is set for future reporting periods)
- Building a strong, SOX-compliant operational structure that can support going public and a scalable, market-leading platform.

Once the IPO plan was developed, the participants identified key decisions, enablers, risks, and associated mitigation techniques to put the IPO plan in action. They considered the impact on all areas of the company to create competence, confidence, and performance to increase the value of the IPO. On top of that, the client developed a message about the IPO process to be shared with key stakeholders. Together, our client and the participants made a commitment to drive the execution of the IPO plan.

### Ready on day one

With the lab successfully completed, our client was ready to embark on the IPO journey. Whereas they had initially felt uncertainty around what they needed to do, they now had an actionable road map to increase their readiness for going public. The immersive experience empowered them to align on clear organizational goals,

## Maximizing the value of the IPO

For privately held companies, preparedness for a major transaction, be it an IPO, sale, spinoff, or any other milestone event, is crucial. The process is incredibly complex, but we can help simplify it for you. The IPO Readiness Lab is Deloitte's proprietary design, bringing together key constituents of our client with our subject-matter resources. The immersive journey, built from our experience in helping hundreds of companies go public, helps clients explore Deloitte's IPO framework and assess their readiness to deliver on several workstreams to meet their goal: listing as a public company.

prioritize activities, and enhance their ability to both meet their IPO timeline and operate effectively on day one.

## Are you planning an IPO journey? Let's connect.



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