IPO Readiness: When C-suite hindsight is 20/20

C-suite executives share the insights they wish they had known sooner

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Introduction

The IPO landscape has undergone a dramatic transformation since its height in 2021. After a period of stagnation, the markets recovered throughout 2025 and continued through the start of 2026 with a fresh wave of public debuts. Behind these headlines? Companies that took very different paths to the public markets, with some that meticulously prepared over a 12-to-18-month (or longer) period and others that fast-tracked their readiness in just a few months.

Over the past five years, CEOs and CFOs who have successfully navigated public offerings agree that the time to prepare may be sooner than you think. In candid conversations with Deloitte, they recently shared the hard-earned lessons they consider important to pass on to organizations eyeing a successful transition to life as a public company.

Lessons learned from recent IPO windows

We set out to gather valuable insights from CEOs and CFOs who led their companies through public exits, recognizing that their firsthand feedback and real-world knowledge would be helpful for companies about to embark on their own IPO journeys. Because a company's comprehensive readiness plan is important to strong market performance, regardless of market conditions, we address these areas where many C-suite executives wish they would have focused more on prior to operating as a public company.

Takeaways

Here are some of the C-suite's notable lessons learned:

- Consistently developing and meeting forecasts
- Establishing and identifying key performance indicators (KPIs) and non-GAAP measures
- Clearly defining and delivering the company's growth story
- Building the foundation for a robust finance organization by investing in the human capital required to support a public company's close, consolidate, and report process demands
- Establishing a strong corporate governance framework, including risk considerations related to an internal controls framework

1. Rigorous forecasting

The pace and rigor of financial planning and analysis (FP&A) accelerates significantly for public companies compared to private ones. Their ability to deliver timely, accurate forecasts is important, and falling short of expectations can have far-reaching impacts. Executives cited the following contributors for standing up a successful FP&A strategy:

- Developing robust and detailed financial models
- Creating an accurate long-term plan for capital expenditures
- Aligning capital requirements with growth objectives across multiple environments
- Incorporating fluctuating interest rates into models
- Factoring in variable tariff costs tied to foreign products

We advise consistently developing and meeting forecasts for an average of three to six consecutive quarters to help prepare private companies for the forecasting expectations of a public company.

A frequent challenge cited by CFOs of newly public companies is their ability to meet analyst expectations, with failure often leading to unfavorable outcomes. Such cases underscore the importance of accurate internal forecasting and robust financial modeling. When companies struggled to provide analysts with accurate forecasts during their IPO, the negative earnings surprises often led to a sharp decline in both share price and investor confidence. Still, other companies may grapple with positive earnings surprises, which can lead to downward pressure on their overall stock performance.

The lesson learned

Prepare your organization to consistently produce reliable forecasts—and meet them. Aligning internal data sets across financial reporting, budgeting, and forecasting is an objective often overlooked by companies trying to achieve their most accurate forecast. If you do miss a forecast, be prepared to provide a clear, well-supported explanation for the gap for analysts and other stakeholders. Be sure to carefully develop accurate and detailed financial models, plans, and growth objectives aligned to the FP&A process and understand the impact of any present and future macroeconomic conditions on company operations.

2. Robust KPIs and non-GAAP measures

Non-GAAP financial measures and metrics are commonly reported by both established public companies and those preparing for an IPO. These measures often provide meaningful insights into the performance metrics management considers most relevant for operating their businesses and evaluating success.[1]

CFOs and CEOs have commonly faced challenges in selecting non-GAAP financial measures and metrics that are most relevant to their industry, along with the ability to consistently report them period over period. Those that did not benchmark against their competitors early in the process frequently found themselves rushing to identify relevant metrics late in the IPO process, leaving themselves with limited time to accurately gather historical data.

Many newly public companies have also faced challenges meeting quarterly reporting timelines, particularly when it comes to incorporating non-GAAP measures. Many allocated insufficient time to prepare these metrics for inclusion in quarterly financial statements, resulting in missed reporting deadlines and, in some cases, changes to the reported metrics, leading to increased scrutiny from analysts and investors. Some companies only established KPIs during their IPO. Several others adjusted their KPIs to present performance more favorably or added new ones to explain unfavorable results reflected in the original metrics. This approach often resulted in an inconsistent narrative, prompting questions from analysts and increasing the potential for eroding investor confidence.

The lesson learned

Conduct a comprehensive industry peer benchmarking study early to identify the most relevant KPIs, non-GAAP measures and other metrics that establish a robust framework for consistent quarterly and annual reporting.

1 Deloitte Accounting Research Tool (DART), "Non-GAAP financial measures and metrics," *On the Radar*, October 2025.

3. A clearly defined growth story

A compelling growth story is an important element of a company's brand, as its executives must be prepared to recognize and address what matters to investors and other external stakeholders. CFOs and CEOs should be able to clearly communicate aspects of this important narrative, including:

- Growth trajectory and long-term vision;
- Plans to scale operations to improve performance so that quarterly and annual forecasts can be met;
- Market opportunities and advantages relative to competitors; and
- Products and/or services offered, as well as their value proposition to potential customers.

Communicating a clear and differentiated growth story that can effectively engage analysts is an important component in building investor support. Companies that fail to dedicate sufficient time and leadership attention to this effort often find themselves underprepared as their public offering date approaches—a time when pressure is already high.

Upping the pressure even further? In today's environment, investors and analysts are asking increasingly sophisticated and detailed questions. Not only do they want to understand a company's business model and competitive positioning; they are also eager to learn if it is positioned to be an artificial intelligence (AI) and other technology leader or lagger, how effectively it is adopting new technologies, and how sustainable its growth is. Being able to anticipate hard-hitting questions—and responding with a thoughtful, clear, and consistent message—can improve confidence and credibility throughout the IPO process.

Many companies struggle to articulate both who they are in terms of their business model, and how they will deliver growth and performance aligned to established strategies. The CFOs and CEOs we spoke with revealed that several companies shifted their stories in response to market volatility or when their growth strategy could not be met. This led to an erosion of investor confidence. Management should instead consider performing dry runs, a leading practice for testing their growth story against historical results and understanding how to position their growth strategy.

The lesson learned

Know how to effectively communicate your business, products, services, and your operational strategy in the current market environment. Prepare your messaging thoughtfully and practice articulating your story. Analyze your narrative against historical performance, and ensure you can clearly and confidently communicate your growth story and its value to customers and stakeholders.

4. Finance infrastructure and human capital

Another possible lesson to a successful IPO and post-IPO performance is a finance leader and team with the appropriate skill sets and an infrastructure that can meet the objectives and demands of a publicly traded company. Not only is the finance team important, but so is having well-designed processes and technologies in place to drive their efforts. The CFOs we interviewed consistently highlighted the war on talent amid a highly competitive and limited labor market and a dire demand for skilled finance and accounting professionals. They felt strongly that the ongoing talent shortage continues to affect important activities such as enterprise risk planning, technical accounting analyses, establishing robust control environments, and the preparation and filing of financial statements that comply with Security and Exchange Commission and US GAAP requirements.

The scarcity of skilled labor also resulted in an increase in costs associated with building high-performing teams and the rapid execution of finance and operating infrastructure. Companies that waited to fill positions until after their IPO date often struggled to attract the appropriate talent, resulting in higher salary demands or costly recruitment efforts. The consistent message from CFOs is clear. Regardless of how active the IPO market is currently, companies should invest adequate time, planning, and resources in their human capital strategy. Some CFOs suggest weighing the option of hiring internally versus engaging external advisers to achieve their finance objectives.

The lesson learned

Understand the infrastructure and operating model required to operate as a public company, along with the human capital necessary to sustain operations.

5. Strong corporate governance

Board of directors

Transitioning to a public company brings with it heightened expectations for corporate governance. While many private entities already have a board of directors in place, their composition often falls short of exchange listing requirements, such as those set by the New York Stock Exchange or Nasdaq. Furthermore, the design and operation of various committees, including audit, compensation, nominating/governance, and disclosure/risk, are typically less developed in private companies.

A significant challenge many companies encounter involves the substantial time and effort required to recruit board members who not only fulfill important governance needs, but also align with the culture of the company. The process of building a qualified board and establishing effective committees is important yet often underestimated.

Strong governance and committee oversight is paramount to the quality of financial statements and a company's ability to maintain a robust internal controls environment. Ones that were not adequately prepared to go public frequently lacked sufficient time to establish their necessary governance structure, resulting in avoidable issues in oversight and compliance.

Internal controls and Sarbanes-Oxley Act of 2002 (SOX) readiness

Going public introduces a new level of internal controls regulations. Chief among these new responsibilities is compliance with SOX. While timing requirements vary based on a company's specific facts and circumstances, achieving SOX readiness often requires 12 to 18 months of focused efforts following an IPO.

Building an effective SOX program is not simply a compliance exercise. It requires cross-functional alignment across financial reporting, corporate accounting, IT, operations, and other important functions. It is a significant effort, one that extends beyond documentation, to include the design and testing of a strategic and sustainable controls framework that addresses the company's risks and operating model.

Given the high level of effort SOX compliance requires, it is important to start early to provide sufficient time to build a robust, modernized, and cohesive controls program that addresses company-specific risks. Internal controls should be considered foundational to IPO readiness, not treated as a last-minute exercise.

5. Strong corporate governance (cont.)

A well-designed SOX program that meets both compliance requirements and strategic goals can lead to meaningful benefits. They can improve an organization's operational efficiency and increase the company's reliance on data in workstreams like forecasting. A company should consider designing a program that anticipates risks and accelerates the pace of transformation within the organization. AI and technology can be embedded in every stage of the risk and controls life cycle, starting with a risk assessment and guided by the internal auditors' experience and judgment.

The lesson learned

Find appropriate members to sit on the board and committees early in the IPO process. Waiting until the final stages can limit options and increase the risk of missing out on candidates who are the appropriate fit for both governance requirements and company culture. Take a proactive approach to SOX compliance, and do not underestimate the value internal controls can bring to an organization. Viewing internal controls as a strategic initiative rather than a burdensome compliance exercise will provide significant benefits in the long run.

Conclusion

Many IPO pitfalls experienced by the C-suite leaders we talked to were not inevitable. Instead, they were the result of insufficient preparation and delayed decision-making. By comparison, organizations that invested early and thoughtfully in governance, infrastructure, and operating discipline were better positioned to navigate the IPO process and responsibilities of being a new public company with confidence. While market windows may fluctuate, there is no reason for readiness to do so. By building sustainable processes, strengthening internal capabilities, and aligning leadership expectations early, leaders can significantly reduce IPO execution risks and post-IPO disruption. IPO success is not solely defined by the transaction itself, but also by an organization's ability to operate successfully as a public company on day one and beyond.

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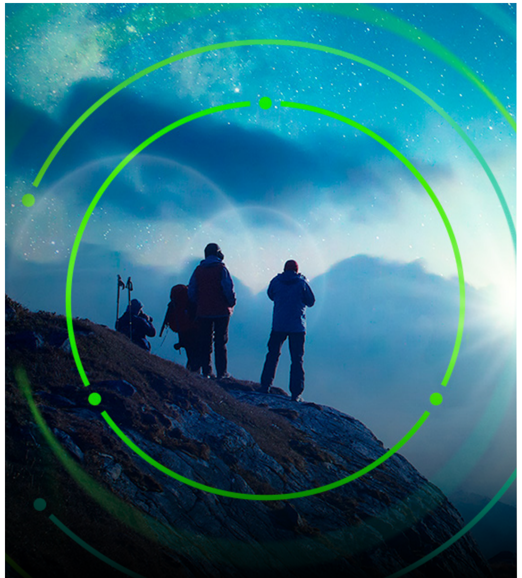

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