

Going public? Here's how to execute a successful IPO

Going public is a major event in the life of a chief financial officer. With the UK IPO market poised for a comeback, they need to be prepared for when that window opens

[Sam Birchall](#) 01 May 2024



There are signs that the UK IPO market is awakening from its slumber, roused by whispers of potential listings from some of the UK's biggest brands, including [Monzo](#), [Brewdog](#) and [Starling](#).

Following a slump in 2023, which saw no IPOs in the final three months of the year amid fears of a recession, the market is looking more appealing. Indeed, 34% of UK finance leaders say IPOs are a top priority in 2024, according to new data by business spend management firm Coupa.

“The stars are realigning and we are seeing a smoother path ahead for businesses looking to IPO over the next year,” observes Paul Maguire, managing director at Coupa.

Amid ongoing economic uncertainty, businesses are having to operate with leaner budgets. Going through the IPO process can help with access to capital and increased visibility. At the same time, [proposed reforms to the UK listing regime](#) promise to simplify the process by offering clearer guidance to businesses, streamlining procedures and easing certain requirements.

The exciting, albeit daunting task of preparing a private company for an IPO falls mainly on the finance chief. It is their chance to step out from behind the curtain and “really shine” says Christoph Martin, CFO at [PensionBee](#). Martin helped the pension app raise £55m when it listed on the London Stock Exchange in 2021. “It’s incredibly exciting because it only happens once. But it can also be an intense and high-pressure period for finance leaders.”

This is especially true in the current market, where investor appetite is lower due to the economic backdrop. CFOs must tread carefully, approaching decisions with caution, strategy and meticulous risk management.

Timing is everything

An IPO is a marathon, not a sprint. Like any sporting endeavour, there are two phases: preparation and execution. The CFO is heavily involved in both, from preparing the regulatory, reporting, governance and audit standards required of publicly listed firms, to working with the CEO to sell the IPO story to investors.

IPO processes are typically carried out across a period of up to twelve months. Andy MacKinnon, CFO of Moonpig, led the greeting card retailer’s £1.2bn IPO in 2021 during an accelerated five-month timeframe – without extensive prior preparation. “Looking back this was a remarkable achievement, but it also created a lot of stress. I would recommend starting

the preparation work ahead of time to avoid this pressure."

PensionBee's Martin agrees that the more time there is to prepare the business, the more accurate and detailed the IPO story will be when the time comes to pitch to investors. A good first step, he advises, is to complete an IPO readiness assessment to identify key issues at an early stage and take remedial actions, if necessary.

More challenging still, all of this work must happen alongside the day-to-day running of the business. "You'll be juggling a lot of moving parts so timing is everything," Martin explains. "But finding extra pockets of time and resources to dedicate to getting the company IPO-ready will put you in a much stronger position."

Nicole Burstow, CFO of financial advisory firm DSW Capital, helped lead the team to IPO in 2021. She said they'd never had an audit before and, with a small team of just four people, getting everything done in time meant planning and project management was crucial, as was scheduling different work streams to reduce time pinch points as much as possible.

Have the right people around you

For all the planning and prep, the inevitable twists and turns that come with going public mean CFOs must get comfortable with expecting the unexpected. This is much easier as part of a reliable team.

"The process is a lot about building resilience," says Burstow. "There were numerous hurdles to overcome. Working through these challenges while sticking to an unforgiving timetable and maintaining motivation in the team was demanding."

Burstow's advice is to hire people, where necessary. "Three months prior to the listing I recruited a project director so I could focus on the presentations, knowing that another member of the team would be picking up due diligence

queries and working on the admission document."

CFOs will find themselves balancing several parallel workstreams, including financial and legal due diligence, preparing forecasts, drafting the prospectus and participating in investor marketing meetings alongside the CEO. Moonpig's MacKinnon says the wider executive leadership team was "instrumental in maintaining business operations" while the CEO and CFO focused on the IPO process.

The emotional rollercoaster of going public means having the right people around you is critical, adds Michael Lifford, who was finance director at Sensyne Health in 2018 when the healthtech company went public. He oversaw a slightly more complicated IPO process, in that half the company was listed and the other half remained private. There were additional obstacles to overcome as a result, he explains, from overseeing the legal and accounting side of the separation and communicating all of the right tax information to shareholders, to creating new contracts and share options for employees.

"There are long days and nights. But if you have people around you that you trust, you'll only remember the good stuff."

Prepare for the cultural transition

CFOs need to manage the financial and cultural changes that come with the transition to being a public company.

Transparency requirements for listed companies come with new regulatory stress and an element of personal liability. As MacKinnon points out: "there is a substantial increase in financial reporting obligations, including investor presentations and annual reports. There is also a greater focus on governance – requiring an internal audit function, for instance."

This also demands a shift in behaviour from employees, making sure they

understand what it means to be a public company, such as the repercussions of sharing data.

Mackinnon was determined to protect Moonpig's culture and ways of working. He made sure to keep the informality and flat organisational structure that you would expect in a technology and data business. "This was important to help ensure that, for most of our employees, being a public company feels no different to being privately owned."

Hone your communication skills

Leading an IPO process means finance chiefs can no longer just be the C-suite exec who presents numbers to the board. Eliran Glazer, CFO of work management platform monday.com, led the company's IPO in 2021 and "quickly learnt that successfully taking a company public means being a strong storyteller."

In the weeks leading up the IPO, finance chiefs will be expected to take a lead role in investor roadshows. These roadshows are the CFO's opportunity to pitch to potential investors and involve a series of presentations designed to generate buzz and gauge share value. This is where the months of hard work and preparation come to a head. It is a pivotal and challenging time. For Glazer, this meant using monday.com's financial data to craft a clear narrative to draw investors in and get them excited about the company's IPO vision. Participating in live webinars and answering questions on the spot adds a "new pressure dimension," says Burstow, even for CFOs who know the business inside and out. "I really had to learn how to present in a style that was concise, understandable and compelling."

Many think of going public as an end state and it's not, warns Martin. As CFO in a public company, you are required to have a much stronger executive presence, he says, which can take some time to get used to. Since going public, Martin travels to roadshows and speaks to investors much more regularly. "It's a part of the job that gets overlooked in all the hype of the IPO.

I found it helpful to get as much practice in as possible."

Finance chiefs will also need to become a critical partner to the CEO, working collaboratively on the business plan. It's important to build credibility, know your numbers and the details, but also work out what the right partnership dynamic should be. Burstow remembers investors commenting on the "balance and complementary styles" of herself and the chief executive during DSW's IPO.

Where to IPO?

One of the most important decisions will be where to list. There's a lot to consider – liquidity, regulations, investor base, listing requirements and access to capital. But it's not just about numbers. Strategic alignment with long-term goals is essential for a successful transition. As Coupa's Maguire says: "this decision will shape a company's success down the line, so it's worth taking the time to thoroughly explore all options and avenues."

General angst over the London Stock Exchange (LSE) has put a question mark over the capital. Oil giant [Shell](#) has been threatening to leave, while other listings are eyeing up [deeper pools of capital in the US](#).

"Having witnessed the market's ebbs and flows in recent years, feelings of fear and uncertainty are neither surprising nor unwarranted," Maguire notes. But, despite its apparent fragility, he argues that these challenges have positioned the market to bounce back. In 2022, many companies adopted a wait-and-see approach to IPOs, but the market has persevered. "The fact is, it is constantly shifting and it's unlikely to settle down any time soon."

On this, Maguire offers a final piece of advice: "delaying an IPO does not need to mean delaying preparation for an IPO. We've reached a point where the only way out is forward. For CFOs that means delaying risks your organisation falling behind the competition."

The IPO experience is an exhilarating but high-pressure process. Done well it can boost a company's performance and boost a CFO's own tenure and prestige, but it is one which must be approached with open eyes.

Five top tips when preparing to IPO

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