

IPO (Initial Public Offering) Readiness Assessment

Objective

The application aims at the companies that are ready to transform from private companies to public enterprise.

Application Overview

An evaluation of IPO preparedness gives management a clear picture of the key organizational areas that need to be addressed in the IPO preparation process in order to maximize value and reduce risk. The application will be the standard one which can be used by any industry like aerospace, chemical and manufacturing, food, IT and so on.

In this application we will be focusing on the areas below and each area will be having a set of questions.

1. Capital Markets Strategy

Choosing the preferred course of action, create a backup plan, and establish your IPO project management office.

Questions:

1. Are you certain that an IPO is the best course of action? Have you considered other options?
2. Have you given a sale to a business or financial buyer any thought?
3. Who is most likely to purchase the company, and what do investors and buyers look for in the prospect?
4. Have you assessed which pre-IPO deals might raise the value of an offering?

2. Taxation

Create group systems, new roles, and tax-saving measures for the corporation and shareholders.

Questions:

1. Why should tax planning be given top importance during the IPO process?
2. What tax implications does the IPO structure have?
3. What do shareholders' and management's tax preparations entail?

3. Finance and Accounting

Since they must produce and provide financial information to numerous stakeholders, the organization of the finance function is a top responsibility.

Questions:

1. Have you begun to view your finance department through the prism of the open markets?
2. Does your finance team possess the necessary combination of skills?

3. Are accounting policies and practices properly dispersed and documented? Has documentation in the form of white papers and formal written memos been created to support the technical accounting policies adopted in those policies?
4. Is the segment reporting for public disclosure consistent with the company's management strategy and equity story?
5. Have problems with auditor independence been fixed? Have audit timetables and procedures been set up to support the needs of the relevant regulators and the IPO timeline?

4. Corporate Governance/Legal

Questions:

1. What corporate governance issues are the most difficult to resolve throughout the IPO process?
2. Have all of the members of your board been assembled and recruited?
3. Have you established shareholder-trust-inspiring corporate governance policies?

5. Infrastructure

To become IPO-ready, begin constructing infrastructures for the capital markets and/or undertake structural changes.

Questions:

1. Have you built a sturdy infrastructure to abide by new legal requirements?
2. Have you evaluated the IT, operational, accounting, tax, and financial procedures, systems, and controls?
3. How might a business best get ready for post-IPO regulations?

6. Risk Management

Questions:

1. Are risk management efforts a priority for your board and you?
2. How ought businesses to reevaluate their risk management?

7. Human Capital

Questions:

1. Does your management team have IPO experience and a record of accomplishment?

Scope and Process of the Application

1. *IPO Questionnaire Library*

It will ask tailored IPO readiness questions by function, leveraging our proprietary IPO readiness questionnaire library.

2. *Digital Interactive Process*

Through interactive discussions with subject-matter specialists, we will capture key IPO readiness gaps and recommendations, along with timelines, to close those gaps.

3. *Algorithm-based Dashboard*

Application will generate a dashboard depicting an initial assessment of the company's state of readiness by function.

4. *IPO Readiness Assessment Report*

You will receive a board- ready report, inclusive of an executive summary, functional dashboard, and detailed findings and recommendations.

Pros and Cons:

Pros:

1. Access to capital markets that is efficient for raising funds through equity and bond issues
2. Flexibility to trade shares with high liquidity and daily valuation Increased customer attention, brand awareness, and prestige
3. Potential for wealth diversification on the shareholder side
4. Increased potential to attract, retain, and reward valued personnel as listed firm Long-term incentive plans provide an opportunity to bond with and encourage critical personnel.

Cons:

1. Total IPO flotation costs
2. Costs connected with ongoing obligations as a listed firm
3. Corporate governance responsibilities