



# Privately Speaking

Insights on private company growth  
from private company insiders

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## Avoiding common pitfalls: Preparing for an IPO

The IPO is not an end in itself. It is a different beginning.

Since IPOs are complex undertakings, it is critical to acknowledge that there are many continuously moving parts that need to be managed—including the costs and the IPO process itself.

### Pre-IPO questions to consider

As you get ready for the preparation phase of the IPO process, have you:

- Reflected on your decision to take your company public? Does it meet your long-term strategic objectives?
- Considered all the advantages and disadvantages?
- Considered what life will be like afterwards?
- Learned the key points required to perform a thorough company review and bring together the appropriate corporate and management structures for the new public company—including assembling the right internal and external teams as well as developing a project time line and framework?

### 4 biggest IPO pitfalls

As those considering going public are quite aware, the IPO process is quite arduous. There are several important mistakes that newly public companies will definitely need to avoid:

- 1 Financial misstatements**—Areas that potentially present the greatest challenges include revenue recognition and other areas that involve complex accounting and financial reporting issues.
- 2 Performance projections that cannot be met**—Public companies that over promise and under deliver are usually severely punished in the marketplace.
- 3 Missing filing deadlines (especially the first one)**—Companies that do not prepare early may find themselves struggling to meet the deadline.
- 4 Not meeting SOX requirements**—Management should not assume that the financials are accurate because historically there has never been a problem or because management does not know of any problems.

### Key issues for discussion

For a better understanding of the issues and to leverage the experience and knowledge of advisers, when considering an IPO, the boot camps will feature presentations from our Audit, Advisory and Tax experienced professionals on the following topics:

- Pre-IPO readiness
- Current market landscape, selecting an exchange
- Going public from a legal perspective
- Client case study of an IPO (Q&A with CFO of client company that is now a public corporation)
- Tax considerations for going public
- Defining your liquidity path
- Role of investment bankers in taking your company public
- Post-IPO accounting and financial reporting

For more information and to register for any IPO boot camp, please contact Debbie Scartozzi, Director, Private Market Group, KPMG: [dscartozzi@kpmg.com](mailto:dscartozzi@kpmg.com)

## Upcoming IPO boot camps

So, how ready are you to go public? To assist you, KPMG along with cosponsoring partners, are offering IPO boot camps in several key markets to help financial executives evaluate their IPO readiness—including regulatory requirements and compliance—while analyzing growth opportunities with risk-taking.

<b>May 9</b>	Charlotte – IPO Boot Camp
<b>May 16</b>	Los Angeles – IPO Boot Camp
<b>May 17</b>	Orange County – IPO Boot Camp
<b>May 18</b>	Silicon Valley – IPO Boot Camp
<b>May 18</b>	San Diego – IPO Boot Camp
<b>June 6</b>	San Francisco – IPO Boot Camp
<b>June 6</b>	Boston – IPO Boot Camp
<b>October 26</b>	New York – IPO Boot Camp

The boot camps are intended for financial executives of nonpublic entities, including chief financial officers, controllers, chief accounting officers, vice presidents of accounting, and vice presidents of financial reporting.



## *Privately Speaking* focuses on the issues that matter most to private and VC-backed companies.

KPMG LLP's (KPMG) Private Markets Group understands what it takes to drive private company growth. In each edition of *Privately Speaking*, we share our insights—along with practical and actionable tips—to help boards, executives, and management grow, strengthen, and transition their privately held businesses.

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"Going public is a complex undertaking and involves a careful balancing of benefits and challenges."

—**Brian Hughes**, KPMG's Private Markets Group leader and coleader of the Venture Capital practice

"Companies can tackle the IPO process much more effectively by planning early. These half-day interactive sessions explore issues that have historically raised red flags."

—**Conor Moore**, National Venture Capital Coleader

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