

Viewpoint



Garry Wayling
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The IPO window

Even in the midst of market turbulence, many companies are preparing for a 2009-2010 initial public offering (IPO).

"Although the global financial crisis has immobilised the IPO market, preparation continues because successful IPOs are the result of companies that have managed their operations like they are public, at least one year prior to listing. The considerable lead time enables them to leverage the window of opportunity to go public when it arises," says Garry Wayling, Partner, Ernst & Young.

This approach is evidenced in the findings in Ernst & Young's *Measures that matter*, a global survey conducted during 2008 which identifies the key performance measures for successful IPOs. The survey includes 15 Australian companies and suggests outperforming companies understand there is a significant transformation process in turning a private company into a successful public enterprise. Moreover, many of the respondents surveyed treat the IPO as one of many milestones in their growth journey to market leadership.

Wayling comments, "While waiting for markets to settle, chief executives can start to prepare their business and subsequently, position themselves to be

first to take advantage once the market conditions improve. Strategic planning, building the right team and implementing controls and systems can take 12 months or more and needs to be wrapped-up prior to going public."

Measures that matter also captures the results of a global survey of institutional investors to determine what information they need, what they use most often, how they make buy and sell decisions, and to which criteria they give the most weight.

Many fast growing, private businesses view an IPO as an excellent route to accelerate growth.

Ernst & Young can assist you with a broad range of advisory services including accessing finance to complete strategic acquisitions, supporting expansion of your business into new markets, implementing an exit opportunity for your private equity or other investors, and improving the operations of your business and brand with customers, suppliers and employees.

More information

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