

Stakeholder communication is critical to a successful IPO

On the same page, reading the same message, telling the same story

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Communication is always important in business. Sometimes, however, the stakes are higher than others. When you're preparing for an IPO, where the process can be complex and the future and direction of your entire business lie in the balance, the creation of a proper communication framework is absolutely critical. When things go sideways, it is almost always a function of poor communication, and that simply shouldn't happen. So if you're going into an IPO, bear a few critical communication axioms in mind:

- **Don't fumble the kickoff**

Hold a kick-off meeting with all possible players present. Any number of potential problems, big and small, can be headed off by establishing a strong process and stakeholder connections early on and face-to-face – from identifying deliverables and timelines, to helping ensure MD&A and pro forma requirements are executed, to having a strong marketing and PR strategy going forward. A strong network not only keeps everyone on the same page,

it also establishes key one-to-one relationships at the outset, making it easier to deal with whatever issues arise whether they be financial statement requirements, underwriter demands, cross-border issues or tax concerns, as well as helping to keep the prospectus on track.

- **Be inclusive and designate leadership**

Your communication network should include all key parties involved in the IPO process. This group includes company management, internal counsel and professional advisers; underwriters and their counsel; and key representatives from your marketing, PR and investor relations teams. Inclusivity, however, also means a variety of opinions at the table, so you also need a quarterback who is clearly in charge and knows the message. Having someone who can effectively take on and assign responsibility, while managing divergent agendas, can stabilize the process and avoid unnecessary miscommunication.

- **Maintain open and frequent lines of communication**

Many companies get off to the right start, but fail to communicate regularly throughout the complete process. With an IPO, all details are important. Don't just communicate around the big deadlines. Regular update calls between companies, their legal counsel and their adviser, for example, often bring to light issues that would be far more problematic if left until later.

- **Every pitcher calls the pitch**

It's crucial to communicate externally as well as internally. Don't forget that you're essentially pitching your company to the investing public. You can't really tailor your story to individuals or specific entities, so it's important to have a corporate narrative – around your products, your ideas, your evolution and the people who make your business tick.

Luckily, once you have that story, you have access to an unprecedented array of digital and social media channels through which to tell it.

- **The early word gets the attention**

Start early. Too often, companies launching an IPO don't seek advice until they're well into the process — limiting what they can do and say, and constraining them by not having enough time to disseminate their story across every available, relevant arm of physical and social media. If you begin developing your marketing and PR strategies as well as your company narrative early enough, you'll have a much better chance of realizing the kind of investor response a burgeoning public company wants and needs.

Going public is a complex, time-consuming business. There will be many issues, but communication shouldn't be one of them. In consideration, it requires effort, inclusiveness and consistency, and those who work to keep the dialogue going and information flowing are two steps ahead out of the gate.

I encourage you to give me a call today to discuss the elements of building a strong IPO team.

Contact us

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