



## Is timing everything for a successful Canada public offering?

### Private company IPOs in Canada

To maximize the chances of initial public offering (IPO) success, focus on factors you can control. Scaling the company to meet public market demands could pay off more than trying to time the market.

#### The IPO market in Canada

Canadian companies are going public at an astounding pace, raising \$2.9-billion from 16 initial public offerings in the first half of the year, and experts say investors are hungry for more IPOs than corporations are willing to provide.

An IPO is a major inflection point in the life of a growing, privately held business. While taking a company public in Canada markets is a complex and challenging process, the benefits often outweigh the downsides for many private company owners and executives.

#### A question of timing

A poorly timed IPO can be difficult to overcome. If the markets are unfavorable at the anticipated time of issuance, performance can suffer. At the same time, history shows that many – if not most – factors affecting IPO markets are beyond the control of the issuing company.

So what is a private company to do? The simple answer is to focus on those factors that can be controlled:

- Develop a business model with sustainable growth potential
- Assemble a strong team for the IPO journey and beyond
- Build a solid business infrastructure and implement systems that facilitate financial planning and forecasting
- Prepare for a smooth financial reporting close process and develop appropriate risk management practices
- Allow adequate time to ramp up for the IPO

“Trying to time the IPO market is like trying to time a slump or spike in stock indexes. So what’s a private company to do? Focus on factors you can control that will impact IPO success, like your financial reporting close process or risk management practices.”

**Increase the chances of IPO success**

By understanding some of the vagaries of the IPO market and addressing those factors within a private company’s grasp, owners and executives can smooth the IPO process and establish credibility for their company in the eyes of investors, both in advance of the IPO event and in subsequent fiscal quarters.

**The bottom line: Diligent preparation trumps timing**

With a legislative environment that continues to favor IPOs – and has for more than three years – the 2016 lull in the market may or may not be a temporary phenomenon.

The VIX offers one measure for consideration, but many other economic, political, and global factors could emerge to offset even the most positive investor sentiment.

As a result, it is especially important for private company owners and executives who are considering an IPO to understand and address the elements of the issuance process that they have greatest control over: the IPO strategy, the preparations, and the team assembled to navigate the process leading up to the issuance.

Begin your journey to an IPO: a road map to becoming a public company [click here](#)

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