



Build your IPO Roadmap with BDO

Helping Clients Throughout the IPO Process



A successful IPO requires significant time and resources investment. It's also more than a compliance exercise: An IPO is an opportunity to mitigate risk, enhance deal value and set up your business for long-term growth potential. To achieve these goals, you need leaders with IPO experience who can ensure quality control, adherence to governance best practices and operational know-how to improve business performance.

When you engage with BDO, you'll have former C-suite leaders who have been through the IPO process and know how much work and time it takes. BDO helps guide clients through every stage of the IPO journey, from assessing whether an IPO is the best path forward, to making your public debut and the transition to life as a public company. We serve as the chief liaison across all workstreams and vendors to evaluate ongoing resource needs and facilitate collaboration.

Bringing together a cross-functional team, we take an integrated view of IPO readiness across seven dimensions:



Financial Planning
and Analysis



Technology



Accounting and
SEC Reporting



Risk



Tax



Operations



People



Our holistic approach creates efficiencies throughout the IPO process and helps us uncover strategic options to mitigate risk and enhance IPO value.



CASE STUDY

Helping a PE-Owned Healthcare Company Throughout the IPO Process

A \$1.5 billion healthcare company that manages over 150 independent living facilities nationally wanted to go public through an initial public offering. The PE-backed company had completed five major acquisitions over the last three years, which led to issues in IPO readiness.

Client Situation and Challenge

The company had several critical gaps it needed to address before filing to go public. It had no common chart of accounts, standard financial reporting structure or plan for upgrading its audits to public company standards. It also struggled with a long close and reporting cycle and faced operational challenges in payroll and accounts payable. In addition, the company lacked finance staff with previous public company experience.

BDO Solution

BDO performed a holistic IPO readiness assessment that uncovered the gaps related to processes, capabilities and reporting. BDO developed and executed a roadmap to navigate these challenges and prepare the company to go public. To ensure timely completion of all workstreams, BDO stood up an IPO Project Management Office and supplemented the company's internal resources. Support included:

- ▶ Project management across all IPO readiness initiatives.
- ▶ Interim financial management support for roles including chief accounting officer, chief financial officer, controller and other finance executive roles.
- ▶ Interim support for SEC financial reporting.

Client Benefit and Result

As a result of BDO's assessment and support, the client was able to identify and address all critical gaps necessary to IPO with no impact to ongoing operations. Outputs included:

- ▶ Chart of accounts alignment and consolidation.
- ▶ Systems implementation for procurement and payroll.
- ▶ Internal controls and material weakness remediation.
- ▶ Purchase accounting valuations.
- ▶ Technical accounting review and implementation.

The organization is now well-positioned to pursue an IPO and thrive as a public company when market conditions are favorable.

CASE STUDY

Helping a PE Firm Avoid Litigation and Mitigate People Risk

A private equity firm decided to form a SPAC and established a board of directors to oversee any potential acquisition candidates. To ensure that board members' backgrounds were free of red flags and disclosure materials were accurate, they hired BDO.

Client Situation and Challenge

As a SPAC sponsor, the PE firm was required to disclose risks to investors in its prospectus and to undergo a suitability analysis. With no past performance or operating history to point to, the qualifications of individuals on the SPAC board—and any risks they posed—held significant weight.

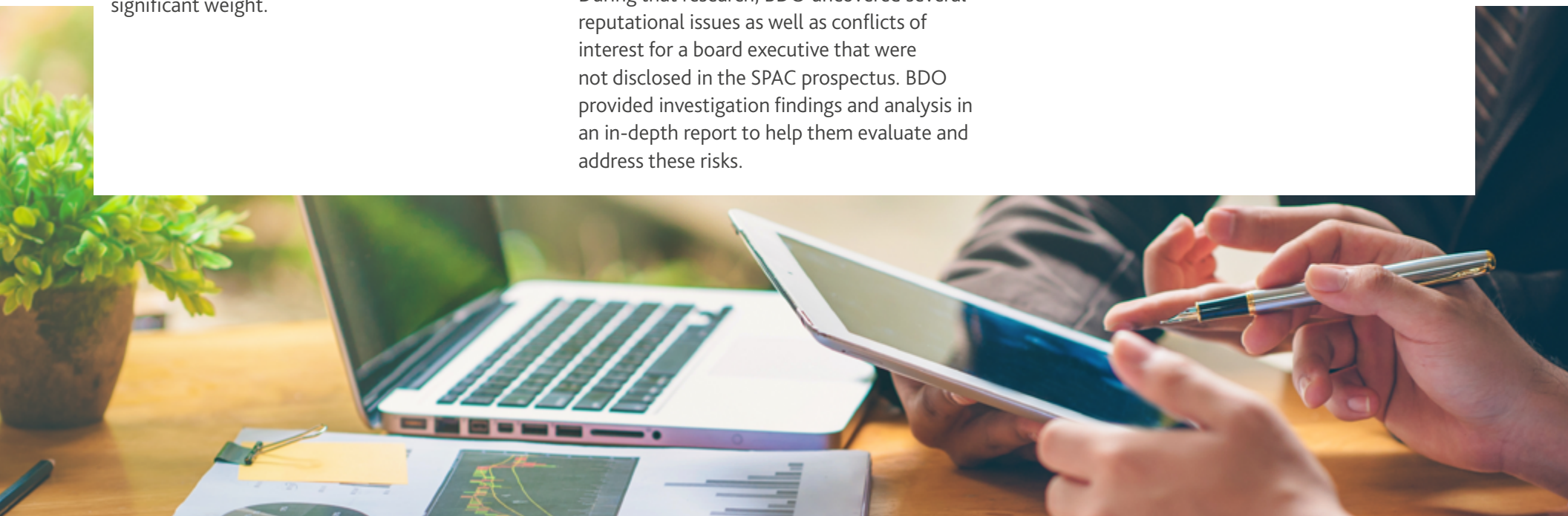
BDO Solution

BDO performed extensive due diligence on board executives. Research included a thorough investigation of employment history, industry reputation, past IPO involvement, corporate affiliations and investment holdings.

During that research, BDO uncovered several reputational issues as well as conflicts of interest for a board executive that were not disclosed in the SPAC prospectus. BDO provided investigation findings and analysis in an in-depth report to help them evaluate and address these risks.

Client Benefit and Result

The client ultimately decided to keep the executive on the board, but made significant adjustments to the SPAC prospectus, including the addition of new disclosures. As a result, the firm was able to successfully list its SPAC and met with no legal challenges.



CASE STUDY

Assisting a FinTech Leader with its Internal Control Framework

A FinTech leader with multiple subsidiaries operating in the institutional, wholesale, and retail sectors had recently undergone an IPO. It wanted to improve its internal control framework and determine its readiness to comply with SOX.

Client Situation and Challenge

Each of the company's business lines were supported by a unique IT infrastructure and had no existing process documentation. There were also no uniform global processes that governed the conduct of its businesses.

BDO Solution

The company engaged BDO to evaluate the design of its internal control framework, assess SOX compliance readiness and develop a strategy to mitigate gaps. Company leadership also required assistance in determining and fixing the root causes of audit findings to prevent similar future issues. The company also needed to test controls that were part of their SOC 1 and SOC 2 audits. BDO provided the following support:

- ▶ Identified design and operating gaps in its internal control framework.
- ▶ Worked with process owners to draft a new process flow through narratives and flowcharts.
- ▶ Identified and documented the controls, risks and assertions using control matrices.
- ▶ Assessed the new design's effectiveness through walkthroughs and testing of transactions.
- ▶ Provided remediation and process improvement recommendations according to best practices and worked with the process owners in implementation.

Client Benefit and Result

With BDO's support, the company:

- ▶ Trained finance and business teams on SOX documentation and reporting procedures.
- ▶ Educated management on the SOX process, their involvement, and accountability for their controls.
- ▶ Provided clarification to external auditors about management's role in assessing internal controls over financial reporting.
- ▶ Had no material weaknesses at the end of the year and was deemed ready to comply with SOX requirements going forward.

CASE STUDY

Evaluating an Automotive Manufacturer's Processes and Controls

A leading global manufacturer of engine drive systems and provider of aftermarket services for automotive parts wanted to prepare to IPO. The company needed to review and implement new processes and controls to mitigate financial risks and establish common practices so they would be prepared for a public offering.

Client Situation and Challenge

The company had limited common processes or controls, control owners were unfamiliar with proper control requirements, and there was an overall lack of process documentation. The internal audit department also needed assistance in:

- ▶ Rolling out a defined control framework.
- ▶ Assessing control design or operational gaps.
- ▶ Developing and executing control testing.
- ▶ Educating process owners on control requirements globally.

BDO Solution

The company's board hired BDO to assist with establishing and evaluating its processes and controls. BDO's integrated global team of IT and business process auditors provided the following support:

- ▶ Assisted the internal audit department in test plan execution.
- ▶ Created detail testing steps to support their control framework.
- ▶ Assessed, tested and reported results and remediation recommendations for key ICOFR.

The plan also included developing training to introduce and familiarize process owners with control and program requirements. BDO also provided regular reports with updates on results.

Client Benefit and Result

With BDO's help, the company:

- ▶ Established a standard ICOFR environment with consistent process across the company.
- ▶ Trained management and process owners in control requirements and expectations for their role.
- ▶ Identified control gaps and developed action plan to mitigate them, including KPIs and timing requirements.
- ▶ Achieved a more transparent and efficient control environment, allowing for more effective collaborative planning.
- ▶ Built a foundation for SOX compliance should they choose to IPO in the future.

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