

Boy Scout motto is the rule when hitting the road with your initial public offering

By **MELISSA MONSON**

If you're thinking about taking your company public, or if you've already started the process, you're not alone. In today's investment climate, it's to your company's advantage to catch the window before the public market cools.

You'll start by selecting an experienced team of investment bankers and legal and accounting consultants; then you'll write a prospectus; and finally you'll take your story on the road to brokers and institutional investors in major cities in the United States and, in some instances, overseas.

Although you'll spend a great deal of time and money drafting the prospectus, it's the road show that can really sell the issue.

Sharp presentations can boost the offering price.

Preparation is critical

Going public entails making one of the most important series of presentations in your company's history—one that involves selling your company to a wary public for the first time.

Keep in mind you can't afford an off-Broadway opening, and you don't get second chances in this competitive arena. Your goal is to ensure you and your key people are prepared to give a well-thought-out, clearly focused, enthusiastic presentation from start to finish every time.

But most company officers, although adept at promoting their products, are unprepared to tell and sell their company story. The management team that must sell the issue often is inexperienced at developing and delivering a succinct presentation outlining the company's investment potential in 20 to 30 minutes.

The drafting session

Creating the text and visuals for a road show usually begins with a drafting session involving the company, bankers and a communications consultant.

As in preparing the prospectus, defining and refining the presentation take a lot of work, so expect two to three drafting sessions to hone the story, additional hours to design and edit the slides, and finally two to three delivery coaching sessions with videotape feedback.

The process usually takes two to three weeks, so don't even consider rushing it at the last minute.

Your company's story must be refined and simplified so it can be easily understood. People only buy what they understand.

What they really want to know—and what you must communicate—is what differentiates your company as an investment opportunity.

Honing your story

Although you and your team may consider yourselves good speakers, consider these questions:

- Can you synthesize and articulate the most important elements of your company's investment story?
- Can you establish and maintain rapport with your audience, speak energetically and use eye contact and facial expression effectively?
- Are each of you as comfortable in stand-up presentations as in one-on-one meetings?
- Does any member of the team have an accent that could create a communications problem?

Finally, do not make preparation for the all-important Q&A segment following the presentation an afterthought. No matter how good your presentation has been, you can destroy its effect—and your credibility—by appearing inept in the Q&A session.

You must anticipate the questions, listen carefully and answer succinctly.

Use effective visuals

The second element critical to telling your company's story is the visual presentation. You must support your story with visually clean, simple, easy-to-understand and professionally produced slides that explain a complicated technology or multi-product company.

When considering who will produce the slides, resist the impulse to save money by trying to produce them in-house. Slide production is a long process involving tight deadlines and multiple changes. Most in-house staff members aren't up to it.

Thus, it's worth using an outside slide-design firm capable of last-minute changes and quick turnaround.

Go for it

The road show is grueling, but if you plan ahead the results can be rewarding.

Your team will deliver a relaxed, informative, crisp and persuasive presentation that will motivate potential investors and make your initial public offering a success.

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