



# **Junior Stock Exchange**

## **The benefits – a commercial view**

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# Key issue

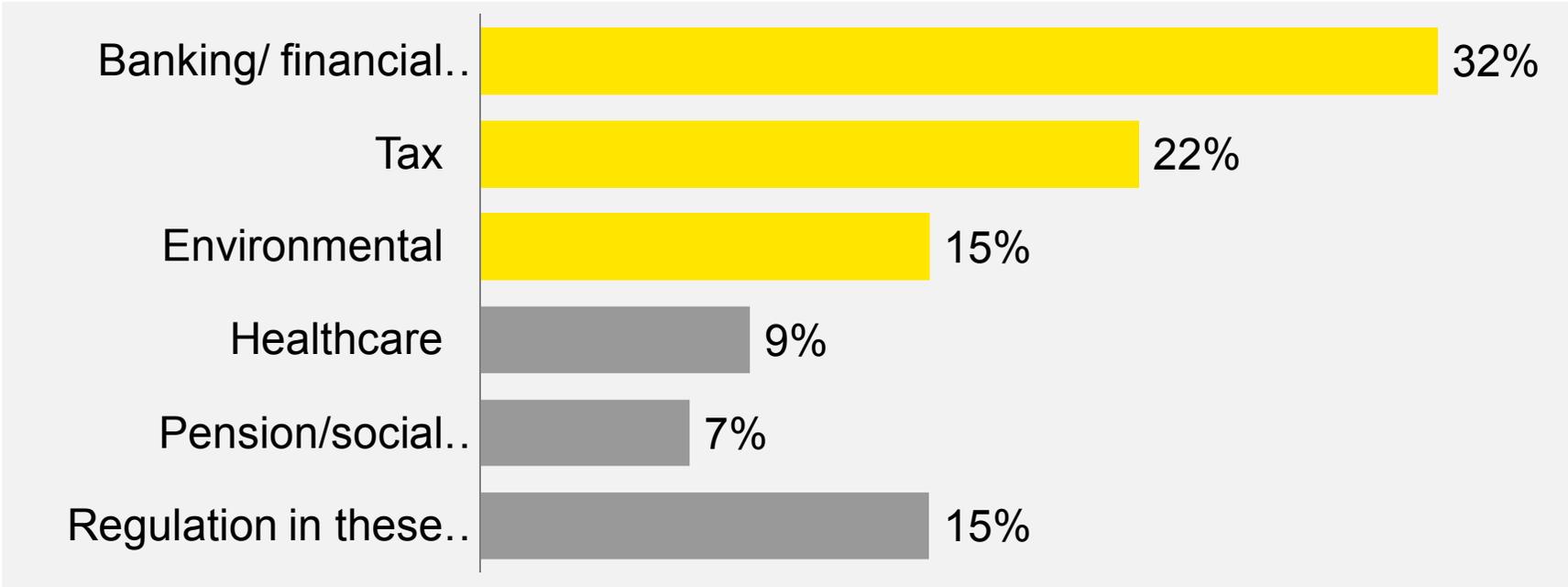
Global and local economies are going through significant change

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# Regulatory risk is viewed as a factor that could derail growth agendas

- ▶ Banking reform is the top concern across all sectors as tighter regulations around capital requirements could restrain lending
- ▶ Global treasury shortfalls could trigger changes to tax regimes



**“ A company can outperform rivals  
only if it can establish a difference  
that it can preserve.”**

– Michael Porter, *What is Strategy?*

# Raising capital – what is the goal?

## Goal

- ▶ Execute on business strategy
- ▶ Where is your company in its lifecycle?
- ▶ What is the company's growth potential?
- ▶ Is the company business model predictable and sustainable?
- ▶ Operational excellence

## Transformation

- ▶ Maximise company value
- ▶ Stakeholders' motivation
- ▶ Strong management team
- ▶ Experienced transaction advisors
- ▶ Increased regulatory oversight
- ▶ Corporate governance
- ▶ Risk management

## Are you ready?

- ▶ Organisational change
- ▶ Leadership and management readiness
- ▶ Transparency
- ▶ Ownership structure/control
- ▶ Delivering on promises
- ▶ World-class financial organisation

# Is it for you?

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To answer this question you must:

- Understand your own objectives
- Have a long term vision for your Company
- Be committed to growth and expansion
- Be committed to transforming your business from family owned to professional public company
- Be willing to share returns since you are sharing the risk
- Improve your corporate governance structure and practices
- Improve your financial transparency

# Why do this – the internal why

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Some of the key questions the shareholder must ask before determining if the IPO is right:

## Why are we doing the IPO?

- is it monetization/exit?
- is to raise new capital?
- is it to reduce debt burden?
- It is to build a legacy that will continue after your life time?
- Do you see this as next natural step because your business is of a certain size and caliber and that going public can add international appeal?
- The tax incentive sounds good?

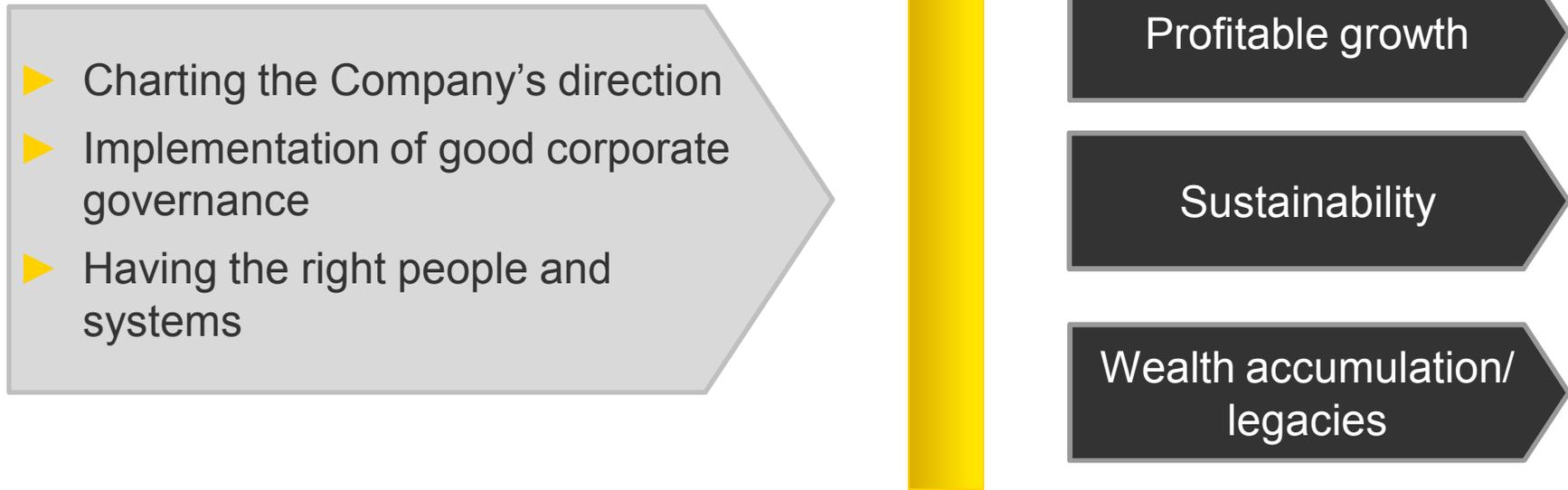
# The commercial aspect of the IPO is not as obvious as it would seem

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- ▶ Forced Corporate Discipline
  - Not a consequence but a benefit
- ▶ Increased branding value
  - Not only to customers but to all stakeholders: bankers, suppliers, employees, regulators, overall community, resulting in lower cost of doing business
- ▶ Enable compensation structures that can convert employees to think like owners rather than employees
  - Easier to execute business strategy
- ▶ Succession becomes less stressful
  - Business can take any direction
- ▶ Last but not least
  - Creating a tangible value to the hard work of the entrepreneur

# What does Corporate Discipline mean?

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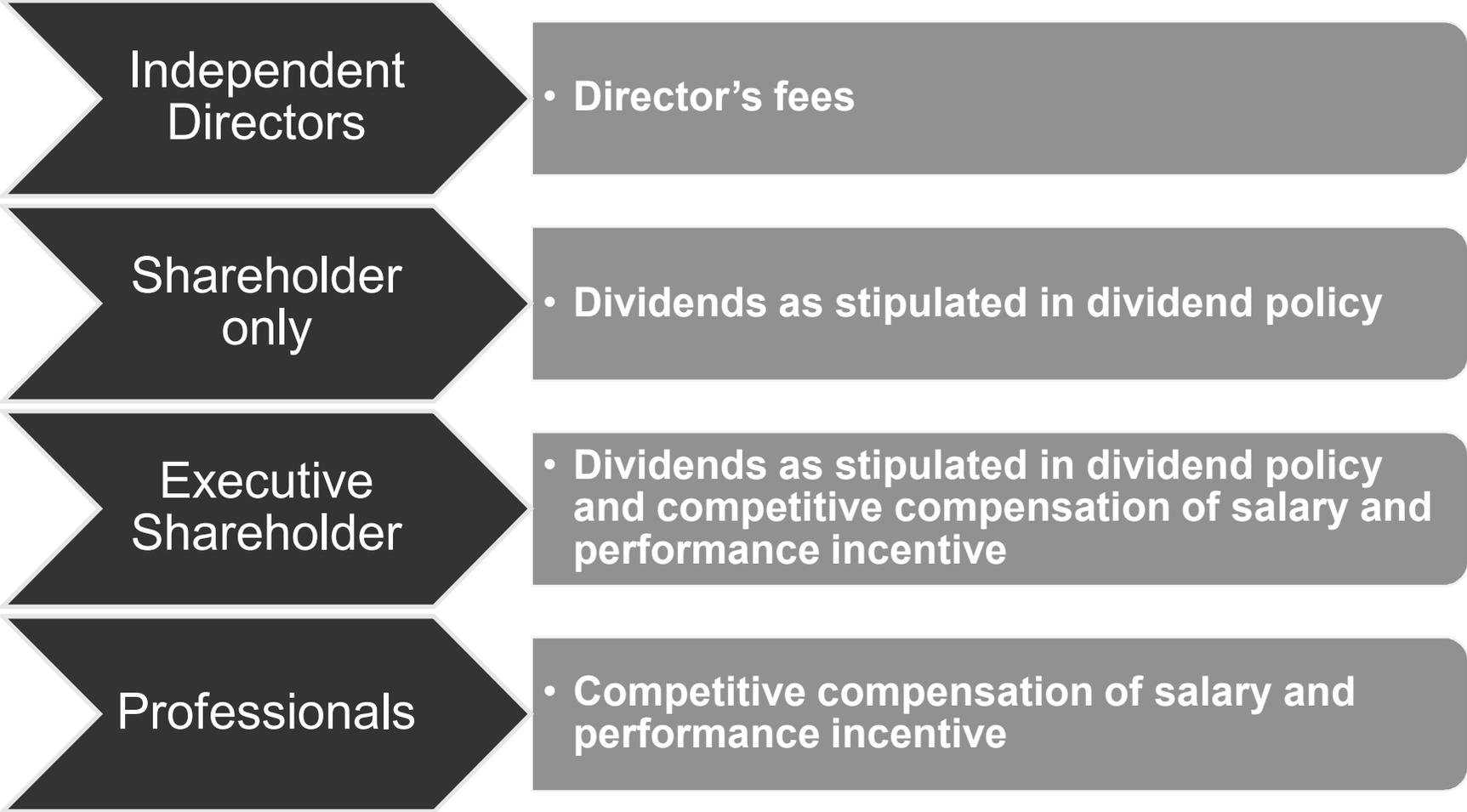


What are the ultimate goals we are all trying to achieve?

# Charting the Company's direction



# Corporate Governance issues – compensation



# Critical must do's from a commercial perspective

The investor/  
financier/  
purchaser  
is looking  
for a  
specific  
picture of  
the  
company

- ▶ Profitable historical performance
- ▶ Potential for high growth in the near term
- ▶ Price to allow appreciation
- ▶ Clear growth story with sound attainable growth prospects outside of T&T
  - ▶ Uniqueness and innovation – bold moves
  - ▶ Leader in its industry
  - ▶ Sustainable competitive Business Model
- ▶ Clear, credible growth strategy and viable business plan going forward
- ▶ An experienced, well-knowledgeable, successful management team with stable key customer relationships

***Is this any different to what you want from your company as an owner?***

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# What does an IPO say about the Entrepreneur?

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- ▶ I have value
- ▶ I am not afraid to be transparent to my suppliers, my customers and the general public
- ▶ I believe in what I have built
- ▶ I can share the wealth because I am going to build the wealth
- ▶ I am not afraid to make mistakes publicly
- ▶ I want to leave a legacy which I have built