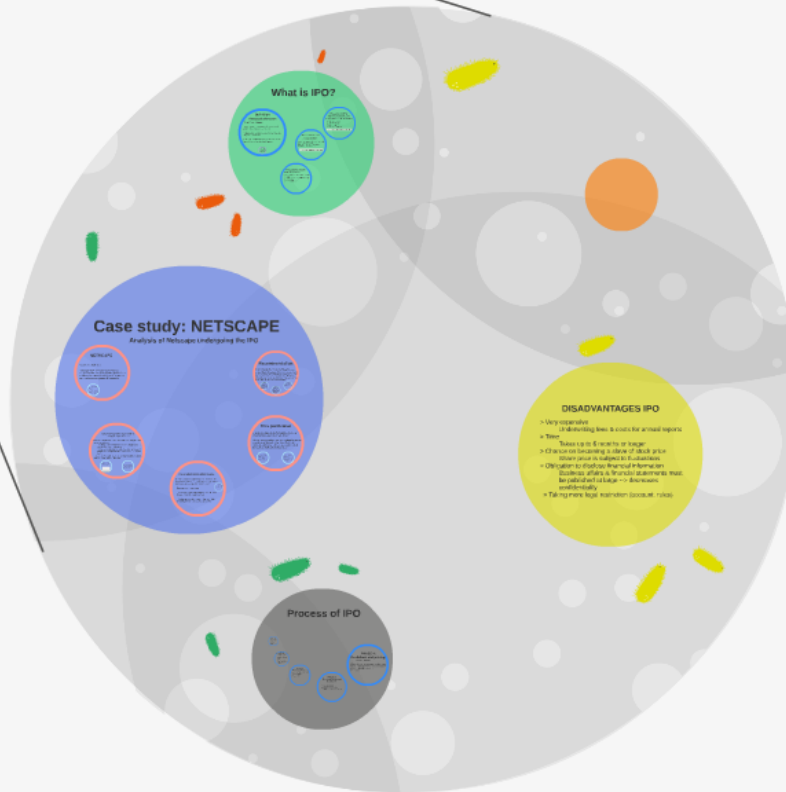


# The Seven Questions of Marketing Strategy

## Thecasesolutions.com



Quelle:  
What is IPO?  
Process of IPO  
Disadvantages of IPO  
Thecasesolutions.com

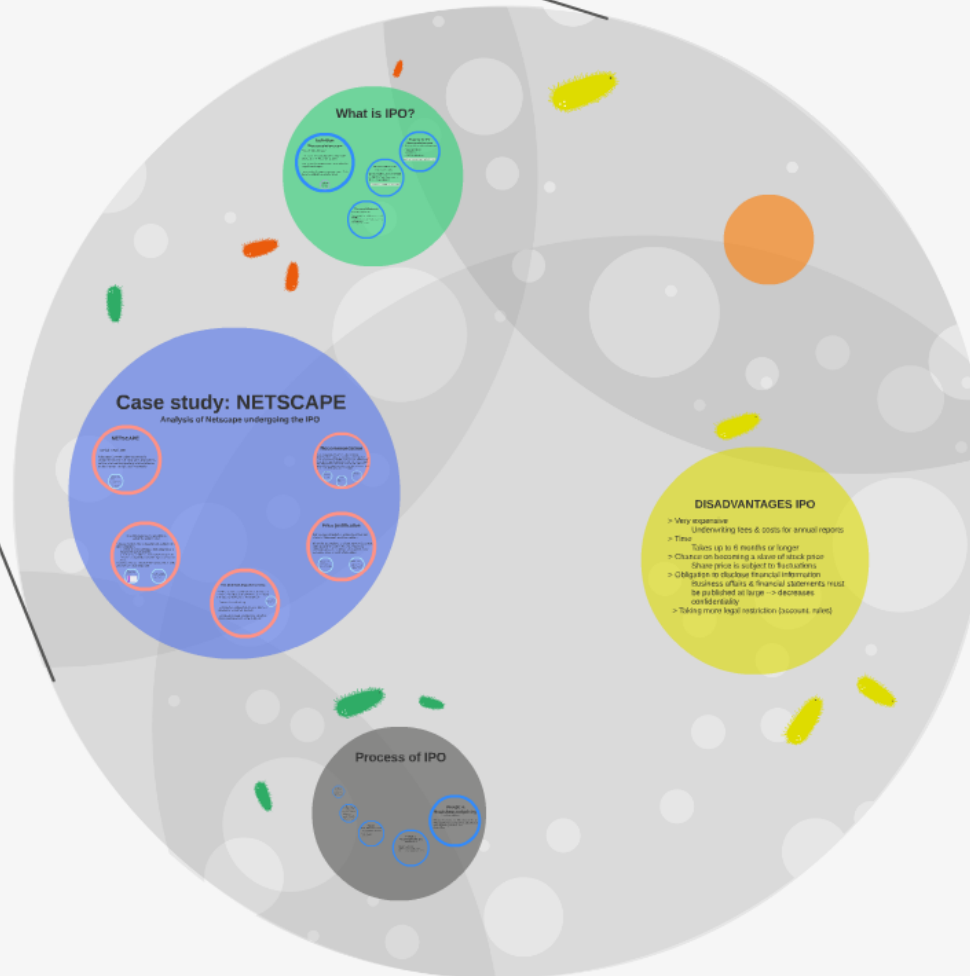


# The Seven Questions of Marketing Strategy

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Outline  
• What is IPO?  
• Reasons for IPO  
• Process of IPO  
• Disadvantages IPO  
• Case study: Netscape  
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# Outline

- What is IPO?
- Reasons for IPO
- Process of IPO
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- Case study: IPO Netscape

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# Definition

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"Initial Public Offerings"

The first time a company sells stocks to the public, also known as 'going public'.

Young, small companies use IPO to raise the expansion of capital.

Large, privately owned companies use IPO to become publicly traded enterprises.

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Many companies that undertake an IPO also request the assistance of an **Investment Banking firm** acting in the capacity of an underwriter to help them correctly assess the value of their shares, that is, the **share price**. This firm helps them take new bond or stock issues to the market.

# Reasons for IPO

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### 1. Raise capital for growth and expansion

- Fund organic growth
- Pay back investors
- Pay back debts
- Merger and acquisitions

>> Secure the continuing growth of the firm

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## 2. Increased liquidity

- Shares are easily traded, more marketable
- Getting more bank loans
- Opportunity for portfolio diversification, flexibility of asset allocation

>> The more liquidity, the more value

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## **3. Publicity and Prestige**

- Generating prestige, public awareness and visibility
- Attracting and retaining qualified managers and employees
- Raising credibility ratio

# **INITIAL PHASE:**

## **Pre bake-off stage**

12-24 months before selecting bankers

- Foster analyst relationships
- Broaden banker relationships
- Private company forums & conferences  
> discussing the offering, the required registration forms...
- Improve capital base

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**PHASE 1:**  
**S-1 and preparation of  
marketing materials**

4-6 weeks

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- Select banks
- Organizational meeting
- Due diligence (banker & analyst)  
> in order to make sure that the  
registrations statements are accurate
- Draft S-1
- Draft management presentation