

Taking the IPO on the road

Initial public offerings can be a communications minefield. Craig McGuire looks at how to pull off a successful road show – and survive the quiet period

The IPO is just weeks away. You've stroked the right journalists, launched a loud branding campaign and groomed your CFO for success. With a prospectus in hand and the underwriters under way, you're racing down the home stretch coming up on the final two hurdles. Unfortunately, they just happen to be the dreaded "road show" and the confusing "quiet period."

Savored by some, despised by most, the road show is an unavoidable fact of IPO life. Usually conducted in the few weeks leading up to the offering, it's a tour in a company's shoes to

present to potential investors. If you don't think the road show will have much of an impact on your offering, just ask former Ticketmaster CEO Frederick Rosen.

A short while after the ticket-vendor giant went public in 1997, Rosen appeared on CNBC attributing his company's poor IPO showing to the lackluster road show. Rosen said that not only did investors not understand the company, they were just not getting the right message. The company has since gone on to bigger and better showings, but the road show remains a

Financial PR pros are forever scrambling to ensure the CEO, and in most cases the CFO as well, is properly prepped for the annoyingly repetitive performances – which can number well over 100. The itinerary is scheduled by the lead underwriter anxious to drum up interest among potential investors, who will hopefully place orders for shares at the offering price.

Heaven help the team that doesn't know its company's financials inside and out, not to mention the IR pro who should have thought ahead. The

Last year, the industry witnessed the SEC's high-profile delay of online grocer Webvan's offering after its backers, including CEO George Shaheen, discussed the company's prospects during the quiet period.

Selective silence?

During a lively panel discussion in New York earlier this year at a seminar entitled "The Not-So-Quiet Period: What to Say When You Can't Say Anything," participants were critical of what they saw as the SEC's selective enforcement

went public, Howard Janzen, the CEO, was a regular speaker at major telecom conferences on Wall Street."

Whether it's the road show, quiet period, or anything else IPO-related, as Frankel puts it, "Being a known quantity lowers the risk factors significantly." And who better to ensure that than your friendly neighborhood PR pro. ● *For using Webcasts for road shows, see "Virtual investor relations: Using Webcasts to bypass journalists," page 46*

