

# DO START-UPS LIST TOO EARLY?

MELBOURNE 20 JUNE 2019 – Yesterday the IPO Network hosted its annual great debate on the topic of “Do Start-up’s list too early?”

Discussion focused on the challenges facing start-up businesses in Australia, the shifting expectations of investors and regulators, and the difficulty of determining the ideal timing for a start-up to progress becoming a publicly listed company and all the responsibilities that come with it.

The coveted guest speaker Lisa Schutz, is the founder and major shareholder of a pioneering fintech and regtech start up Verifier. She is the 2017 Woman in Finance Awards winner of the Fintech Leader of the Year, and has won multiple other awards in her distinguished business career.

Lisa challenged the audience to consider how prepared start-ups should be before they tackle a listing.

“I cannot imagine many reasons why a company would list before it had proven its product and market fit and was in scale-up. Beyond access to capital, there has to be some commercial benefit as well. In many cases the business compliance of listing and the ongoing transparency can be good for sales and help attract great talent.”

“Every company needs to be strategic about their funding options and carefully consider all sources of capital. While listing in Australia is attractive, the big question for start-ups is what is the tipping point that makes it worthwhile. The IPO is an expensive investment, with a huge level of compliance, governance and new skillsets required while private capital has a lot less overheads. That said, when it works, accessing the liquidity on the ASX can give businesses a massive boost. While there are certainly plenty of war stories Australia has its fair share of IPO superstars as well.”

Lisa noted that like almost all start-ups that become successful, success does not happen overnight, it takes years of hard work and commitment to a vision, while operating on a very lean budget. It means plenty of knock-backs. You must be resilient and surround yourself with an experienced and qualified team.

Jeffrey Luckins, Member Representative and event host said: “Discussion from the audience centered around the boom in the listing of technology businesses which have leveraged their credibility as publicly listed companies to win contracts and build relationships with blue chip global businesses which may not have been possible in a start-up form. Queries were raised about whether start-ups raise sufficient capital to achieve their stated goals, whether they appoint the ideal Board members and executives for their business and whether in their rush to move forward they have implemented the internal control and management systems necessary to be successful?”

“A common concern raised was that start-ups often take too many risks which can be an impediment to listing and as Lisa noted in her presentation, there is no substitute for appropriate research and planning before your Start-up enters the fray of the action and commences its path to listing,” he concluded.

For more information please visit the website at [www.ipo-network.com.au](http://www.ipo-network.com.au)

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## ABOUT THE IPO NETWORK

The IPO Network was established by a diverse group of professional service providers in 2010; our network of consultants and advisors assist businesses to prepare and execute their exit strategy and to support listed companies beyond their IPO

The IPO Network will steer you around the pitfalls and help you list your organisation cost-effectively and in the fastest possible time. After your organisation’s successful listing, we can also assist on an ongoing basis and help you to meet the ongoing compliance obligations imposed on directors and executive management.

## ABOUT VERIFIER

Verifier is a globally leading tool that puts people in control of their data to provide the key proof points needed to get their financial lives sorted. Verifier is both a fintech and regtech company.

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