



The Pros and Cons of Going Public

Umbrella Tech, May 27, 2008

URL: <http://www.pr9.net/business/trade/8231may.html>

The going public process is an expensive consideration, and even more so for small cash-strapped young companies. When a company is contemplating the process of going public, it must consider the pros and cons involved in making that decision.

PR9.NET May 27, 2008 - Beverly Hills, CA - The going public process is an expensive consideration, and even more so for small cash-strapped young companies. When a company is contemplating the process of going public, it must consider the pros and cons involved in making that decision. Additionally, there are new responsibilities involved when a private company becomes a publicly traded business. Although many benefits can ensue from going public and the related IPO services, the company directors and principals must critically judge all the options and impending tasks of becoming a public company.

The following are pertinent considerations that need be touched upon with the help of an experienced securities attorney; he can help your company evaluate the advantages and disadvantages of an Initial Public Offering (IPO). The following analysis is in order to help you make a decision that is best suited for your business.

The Going Public process, what is it and is it Right for Your Business?

Once a private company becomes publicly traded, it will register securities so that it can make an offer and sell them to the investing public. This is the biggest difference in operational status of a private vs. public company: The public company can offer its stock to the public at large, whereas the closely held private company is restricted to private venues, such as friends and family members. This is a very important consideration since most companies that go public are interested in raising capital. Furthermore, investment bankers and broker-dealers prefer to deal with a public company. A well ran private company with a healthy bottom line, quarter after quarter, is an excellent candidate to go public and attract outside investment capital.

The increased capitalization for the issuing business is a strong point to consider, since a public offering creates a market value on a company's stock. Company directors and shareholder can retain their stock and use it for varied activities, such as: currency for mergers and acquisitions, as stock options to help retain key personnel, they may also sell their shares in the open market. Additionally, the business will have greater access to the capital markets for future capital inflow. In general, terms, a company's valuation and debt-to-equity ratio will improve after going public, making it possible for the company to receive much better terms from lenders.

Undertaking IPO services and offering securities to the investment public will help a company's management and directors retain a large degree of control. For example, if a private company decides to use the services of venture capitalists to raise capital, instead of going public, the VC's (Venture Capitalists) might insist on a decision-making position, such as a seat on the board of directors. When a company decides to raise capital via the going public process, those unpleasant considerations are avoided.

No doubt, the prestige related with becoming a public company has a definite appeal. The fact that it is easier to promote a public company is also a pertinent consideration. Public companies have historically achieved higher recognition than private companies; hence, the public relations image and the perceived stability of being a public company is a plus.

Some of the typical expenses associated with taking a company public include fees for legal and accounting services. Of course, the SEC (Securities and Exchange Commission) quarterly and yearly reporting requirements are a burden for most companies, if trading on the OTCBB, NASDAQ, etc

The easiest way for most companies to go public is to be listed on the Pink Sheets. Going public via the Pink Sheets is an excellent first step for smaller companies to become publicly traded entities. Here are some further advantages:

- There are no reporting requirements
- There is no time in business requirement
- No revenue or earnings requirements
- No minimum asset requirement

For a more in depth study of all going public processes, and to learn how to take a company public, please visit www.tcc5.com. The price to go public is usually \$100,000 and the services are offered by the president of Tiber Creek, a going public services attorney in business since 1975.

Contact Information:

Tiber Creek Corporation
9454 Wilshire Blvd., 6th Floor
Beverly Hills, CA 90212
310.888.1870 tel.
310.888.1856 fax
info (at) tcc5.com

###

About Umbrella Tech

If you are looking for a sensible, cost-effective search marketing solution? We integrate search engine optimization, pay-per-click advertising, link popularity, paid inclusion and website conversion services as necessary and appropriate to maximize your ROI.

Phone: 719-290-5967
Website: <http://www.umbrellatechnologies.net/>
E-Mail: terry@adison.edu

[PR9.NET - Your Free Press Release Service](#)