



5 Things to Look for When Choosing an Investment Banker

During a “banker bake-off,” you’ll have the opportunity to hear various banks pitch their strengths and identify what they bring to the table. During these presentations, you’ll receive an enormous amount of information.

To sift through what really matters to you and make sure you select the right banker for your company, make sure to focus on the following five key areas.

#1 Enthusiasm and Preparation

- Is the presentation customized to your story?
- Are the appropriate banking team members present at the bake-off?
- What level of vetting has the bank already conducted with its research analyst, and what can they share about their analyst’s view of your company?
- Is the bank currently working with any of your competitors? If so, has it decided how to address potential conflicts of interest?

#4 Execution Strategy

- Are the senior members of the investment banking team committed to attending the organizational meeting, drafting sessions, and other key meetings?
- What process does the bank follow for pricing and allocating shares?
- What are the bank’s views on stabilization activities and strategies, including willingness to commit capital?

#2 Capabilities, Credentials, and Experience

- Who will be the members of the investment banking team directly involved with your company’s IPO?
- Who will lead the equity capital markets and syndication functions for your company’s offering?
- Who will be your company’s primary day-to-day contact at the banking firm?
- What are the most relevant transactions they have worked on and how successful have those deals been?

#5 Aftermarket Support

- Have the banks described their firm’s aftermarket services, including non-deal road shows?
- What conferences and other industry or investor events does the bank sponsor that are suitable for your participation?
- Has the bank described its research coverage expertise in the life science industry and in your targeted therapeutic areas?
- Does the bank have an experienced institutional salesforce with strong relationships with the right investment funds for you?

#3 Positioning, Knowledge of Your Company, and Valuation Methodology

- What is the recommended positioning of your company?
- What is the proposed strategy for your positioning relative to your competitors?
- Which companies represent the best comps?
- How would your company be differentiated from some of the recent IPOs (attempted or completed) in the health-care sector?
- Has the bank provided a description of the valuation methodology it is using to value your company?
- What valuation metrics will investors focus on?

Selecting the best bank for you means finding a team that is enthusiastic, understands your business, and has the bandwidth to get the transaction done. Get in touch with Westwicke for help attracting the right investment banks.