

## Terry Bowen quits BHP, Coles Group, Transurban boards for Rakt role

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By DAMON KITNEY

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Eighteen years after they worked together to launch Qantas's low-cost carrier Jetstar, Terry Bowen and Bruce Buchanan have reunited to pilot the next stage of growth – including a potential public listing – for the Lachlan Murdoch-backed technology unicorn known as Rakt.

In simultaneous announcements on Thursday morning that will surprise investors, the three public companies where Mr Bowen holds directorships – BHP, Coles Group and Transurban - have revealed he is stepping down from those roles to be president and chief operating officer of Rakt.

Mr Bowen, one of the most respected company directors in the country, will be based in Rakt's New York office and report directly to Mr Buchanan.

“Going back into a proper line executive role is exciting. New York is a long way from Perth (his current home) so you don’t make these sort of decisions lightly. But a significant part of this decision was the people you want to work with. Bruce is one of the most outstanding executives I have worked with in my career. The leadership team at Rokt is super high quality. I have found in my career that success follows great teams,” Mr Bowen told The Australian in an exclusive interview.

“During the due diligence I have met the leadership team and I know Bruce. He is high integrity, massive drive, huge intellect and Bill (Barton, chief product officer), Elizabeth (Buchanan, chief commercial officer) and other people in the team are quality people.”

Rokt, which Mr Buchanan founded in 2012, provides transaction marketing software that uses artificial intelligence to present customers with offers for complementary products and services after they purchase a product online.

“Omni channel sales are a more significant part of businesses now than five years ago and are growing significantly. You look at the problems Rokt is solving for the customer and for the advertisers and the partners, the network effect of doing that across billions of transactions is very powerful. This business has an enormous outlook,” Mr Bowen said.

He will be transitioning into the role over the next few months and will take an initial equity stake in Rokt.



Mr Buchanan said Mr Bowen would also have the opportunity as part of his remuneration package to “share in the upside of the business going forward in line with other US tech businesses”.

Mr Bowen said he had held discussions with the various chairs and directors of all his boards in recent months about the Rakt opportunity.

“It is important these decisions don’t come out the blue. It is important board members are talking to their chairs about the way they are feeling on the board and what is happening in their lives. Boards also think about succession planning as a routine exercise. No one is irreplaceable,” he said.

He said his most important learning as a non-executive director – he was chairman of the audit committee at BHP – was the critical importance of good governance.

“The executive have to deliver on the strategy but what you learn on boards is there is a governance element of the board that can be made efficient and really does add value,” he said.

While he acknowledged he had missed full-time executive roles, he said the role of boards and directors was vital in the economy.

“I don’t board bash. I think Australia had a tendency to talk down its national champions and people in really significant roles,” he said.

“The jobs and the companies have been really good for me and rewarding in their own ways. But there is no doubt that when you go inside a business and are in an executive team, there is a different teamwork and camaraderie that can develop in that.”

Mr Bowen most recently served as partner and chair of the operations group of Australian private equity firm BGH Capital and will retain a minor role with BGH after taking up his position at Rakt. He will also remain on the board of the BGH-owned education provider Navitas.

“I will keep a relationship with BGH in a small area. That is contained and flexible. I want to put all my time and energy into Rakt,” he said.

Mr Bowen has more than 25 years of financial, strategic and operational experience across several of Australia’s leading consumer-focused

companies. In addition to several leadership roles at Wesfarmers, he has also served as finance director of Coles and was the inaugural chief financial officer of Jetstar Airways in 2004 when it was run by now former Qantas chief executive Alan Joyce. At the time, Mr Buchanan was a Jetstar executive on the rise and took over from Mr Joyce in 2008.

“Terry is one of the strongest leaders I have worked with and has a proven track record across a wide range of industries,” Mr Buchanan said.

“He brings expertise, tenacity, curiosity, humility and leadership experience that will help us accelerate our global growth and achieve our business objectives.”

Mr Bowen revealed he had been providing operational and financial advice to Mr Buchanan about Rakt for the past few years and as part of his due diligence for the role, spent time in Rakt’s New York office.

In late 2021 Rakt, whose long-term shareholders include AustralianSuper, media mogul Lachlan Murdoch and Carsales founder Greg Roebuck, signed off one of the [largest single-venture capital fund raisings in Australian history](#).

Secretive American financial powerhouse Tiger Global helped Rakt raise \$US458m (\$712.5m), valuing the e-commerce business at \$US2.75bn.

Despite turmoil in the global technology sector last year which slashed company valuations, Rakt last December sold a tranche of shares to Square Peg and global investment firm Wellington Management in a secondary round that valued the business at \$US2.4bn.

Given his extensive public company experience, the appointment of Mr Bowen is another important step in Rakt’s progression towards a sharemarket listing on the Nasdaq in America.

“The most important thing is it strengthens the ability of the board and the investors to make any decision they want. It provides shareholders with a lot more optionality. Terry is a natural person to manage public markets if that is the route we go down,” Mr Buchanan said.

But he stressed no decision had been made on when Rakt would list, noting the company was currently in the final stages of changing its domicile from Singapore to America.

“I was pretty sure the shareholders had wanted to list the company in October or November this year. But the IPO market has been essentially closed for the past two quarters. Other options for the business also become more attractive in the current environment,” he said.

“We made a commitment to investors and the board that we would be IPO-ready. Terry’s appointment is key to that. We want to do it really well and we want the best executives to do that. But the decision of whether it is the right path will be made by shareholders. Our job is to have the business ready.”

Rokt reported annual revenue of \$US336m for the 2022 financial year and Mr Buchanan said the group expected that number to rise to around \$US500m when it rules off its accounts on December 31.

Last November, a former employee filed a gender discrimination and disability lawsuit against the company in New York, which made sensational allegations of employee drug use and sexual harassment in Rokt’s offices. The company is fighting the allegations.

Mr Bowen said his diligence for his new role “had not thrown up any red flags whatsoever that would concern me.”

“During the due diligence I have met the leadership team and I know Bruce. He is high integrity, massive drive, huge intellect and Bill (Barton, chief product officer) and other people in the team are quality people.”

Mr Buchanan said the company had decided to fight the allegations “for the right reasons.”

“When you have such financial rewards on the line, people leaving the business can feel disgruntled. It is tough. The more generous you are, it can even be tougher when they exit because they are walking away from significant financial assets,” he said.

“We have decided to fight these for the right reasons. We don’t want to encourage that negative behaviour. Sometimes you need to put a line in the sand on these things.”

He acknowledged Rokt had not got everything right during its rapid evolution.

“I wouldn’t be so arrogant to say we haven’t done anything wrong. We got hires wrong and made mistakes in certain areas. There are lots of learnings for us. But it is important, as a global business, that you build the ability to have a dialogue about even the most sensitive topics with your staff,” he said.

“We value things in the right way. We have a very strong belief in people and communities and we take governance and our role in the communities we work in very seriously.”

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[Link to the article on \*The Australian\*](#)