



Career paths

Rising to the occasion

A variety of challenges in her role as a member of 3i's private equity team keeps it interesting, **Rowena Gracey** tells Jo Russell



What's your academic and professional background?

I grew up in Sydney, Australia. I loved science and studied biochemistry at the University of Sydney. While there, I realised that I wanted a commercial element in my work. I did a year-long exchange programme at Royal Holloway, University of London. I saw how the venture capital industry brought science, finance and economics together. That led to a summer internship with Scottish Equity Partners in its London-based healthcare team.

Back in Sydney, I gained experience in the public equity market as an analyst with Quest Partners, working across multiple sectors. I wanted to work with long-term holds and more closely with management teams. I returned to England in 2006 and initially was on contract in the pharma industry.

How did the 3i opportunity arise?

I told a friend of a friend what I'd been doing. She'd met the head of healthcare at 3i that day, and knew that there was a role that would suit my experience.

Initially I joined to support a strategic project where the healthcare team was mapping subsectors of interest. When I came into the strategy role, I was clear that I wanted to be in the deal environment. I joined the buy-out team and acquired more exposure to deals, moving from healthcare to working across the buy-out business in other sectors.

It was an important step for me, broadening my exposure from the highly regulated healthcare market to markets that were less regulated, and more digital.

What is your role now?

I was made a director in 2019. I lead our healthcare and business and technology services, investing from London. My time is split between portfolio management, executing new deals and thinking of future investments. They all sit together, but if I had to pick an area of particular interest, it would be origination. It's exciting to discover new businesses and opportunities where there are compelling rationales for investment.

I'm currently looking at a number of companies in outsourced pharma and medtech, and in customer experience services.

I'm also progressing on diversity and inclusion. We want to improve diversity within private equity. This includes how we interact as a team and garner everyone's opinion. There are simple things like digital interfaces, where people can post views simultaneously, which ensure that everyone has a voice.

Is there a deal that stands out?

In December 2015, we invested £159m in Audley Travel. I was involved from the start, doing primary research and

feeding back to management. I led the commercial assessment of Audley's position in the UK and US markets, where we saw growth opportunities.

We have supported strong organic growth in the US, which has included the successful launch of Europe as a destination region. Pre-COVID-19, the US business was around five times the size it was when we first invested. We've also invested in systems, technology and senior leadership. The business was refinanced in 2019 and a further capital injection came in 2020 to support it through the pandemic.

What is particularly rewarding at 3i?

Part of the personal journey is finding sectors you think are attractive to invest in and meeting businesses in that space. I did some work in 2018 on the pet sector. We saw strong macro themes around the importance people place on their pets. I mapped businesses to find the attractive characteristics. From that, we identified MPM, a premium pet food producer. We invested £125m in MPM at the end of 2020.

I have learned that management teams value an outside perspective. It can be scary meeting a CEO for the first time and feeding back your thoughts on their business. But being honest and open about opportunities and risks provides the foundations to build a strong relationship.

I enjoy the opportunity of working on deals with colleagues in Europe and the US. Things are done differently in the UK to other geographies, so talking to international colleagues about what they're seeing is important. The variety really does make it fun.

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