Low-key Robyn Denholm takes on challenge of taming Elon Musk

Richard Waters in San Francisco and Jamie Smyth in Sydney November 9, 2018

Robyn Denholm, a backroom finance operative with a firm but low-key manner, seems an unlikely choice to take on one of the toughest jobs in corporate America: taming the mercurial Elon Musk.

But at least some people who have followed the career of the Australian-born accountant believe that taking on the chairmanship of electric carmaker Tesla — a title she was handed late on Wednesday — was not as unlikely as it might sound.

"She has a proven record for dealing with very high-ego individuals," said Pierre Ferragu, a Wall Street analyst who covered Juniper Networks, where Ms Denholm was employed for nine years in top finance and operations roles.

Faced with an alpha male, he added: "Robyn is the exact opposite: she can remain very calm, very stable. She is a less visible personality, but she's very good at driving things without having to be in the lead."

That boardroom chemistry is about to be put to the test. After a tumultuous period that brought a fraud indictment against him from US regulators, Mr Musk bowed to pressure to step down as chairman for at least three years. But he has continued to goad the regulators on Twitter, raising doubts about just how much he is prepared to change.

There are plenty of detractors who question the decision to elevate Ms Denholm, a Tesla director since 2014, into the hot seat. Charles Elson, a corporate governance expert at the University of Delaware, said that only an outsider could bring back credibility.

"The problem is that the boardroom has been ineffective. Having someone who's been part of the problem doesn't help," he said.

Ms Denholm sits on a board that has done little to restrain Mr Musk. She and other directors unanimously backed the chief executive in August after he falsely claimed to have financing in place to mount a buyout, earning the company a fine from regulators.

In four years as a non-executive director — including chairing the board's audit committee — she has been richly rewarded, with $17m in stock options for a part-time position. She has also been an unabashed fan of Mr Musk, once enthusing to the Australian Financial Review about Tesla: "It's great, and he [Musk] is great, he's just phenomenal."

In interviews, Ms Denholm has always described herself as direct — the product of a pragmatic Australian upbringing that has left her with a no-nonsense view of the world. People who worked with her in Australia said she was down to earth, but had

a hard edge when it came to decision-making. She preferred small groups to large audiences, where she could seem uncomfortable, they said.

"She has a quiet self-confidence," added Mr Ferragu. At Juniper, which she left in 2016, "she didn't seem to be noticed. But she was very, very on top of what was happening in the business."

Ms Denholm grew up in Milperra, a small town in Sydney's sprawling western suburbs. Her parents owned a service station, where she used to pump petrol, do the accounts and repair cars — a pursuit that got her interested in automobiles.

> It's great, and he [Musk] is great, he's just phenomenal

She got her first job in accounting in the Sydney office of Arthur Andersen, which hired her after she completed an economics degree at the University of Sydney. She left to join Toyota in Australia, where she rose to the position of national finance manager and became one of the few women to reach a senior level at the time.

Ms Denholm is passionate about promoting diversity in business and has spoken about how she is often "one woman amid a sea of men" in her career. She has sponsored scholarships for disadvantaged students and women in technology at University of New South Wales, the college where she completed a masters degree in commerce in 1999.

She has taken calculated risks to succeed. "I don't jump out of planes or bungee jump or any of that stuff," she told The Australian. "But I do take professional risks. You make the best decisions you can with all the information you have — and you have to move quickly. You're not pushing hard enough if you never make mistakes."

Ms Denholm left Australia for Silicon Valley with her two children — Matthew and Victoria — in 2001 when she was offered a job in Colorado by her employer Sun Microsystems. She had turned down two previous offers to move overseas, the first at a time when she was going through a divorce, and was not sure she would be given the opportunity again.

She will now have to show that she does not just have the self-confidence to weather the seemingly endless dramas in Tesla's boardroom, but is also independent-minded enough to stand up to Mr Musk.

One close observer of the Tesla board said that unlike James Murdoch, the media entrepreneur who was also in the running for the job, there was less chance that she would end up in a clash of egos with the chief executive. But getting Mr Musk to stop the antics and focus on the many challenges facing Tesla is not likely to be easy.

Sign up to the daily #techFT email