



## The Quandts: Enormous Wealth and Power

by Paul A. Schons

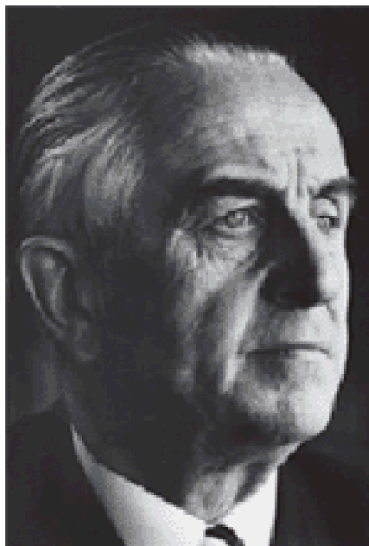
# Kulturecke

In the March issue of the *Kulturecke* the name Herbert Quandt was mentioned as the man who nearly single-handedly saved BMW in the company's crisis of the late 1950's. At that time BMW was on the verge of bankruptcy and was facing an imminent take-over by Daimler-Benz (today DaimlerChrysler). Herbert Quandt, who at that time held about 30% of BMW stock, was about ready to take the Daimler offer and sell his BMW holdings. Then, unexpectedly, he was inspired by a vision of the potential of the smaller car company, and rather than sell out, he leveraged his holdings in other industries to increase his BMW holdings to a majority position and effectively take over the company himself. Through severe restructuring and revision of management technique, along with a new vision of the nature and potential of the automobile market, Herbert Quandt built the BMW corporation to the global player we know today.

When Herbert Quandt died in 1982 he was one of the wealthiest men in Germany. He structured his holdings so that upon his death his family emerged as one of the wealthiest families in the nation. Among the 100 wealthiest people in Germany today, the Quandts account for 8 of the people on the list.

Historically, the Quandt family came to Germany from the Netherlands. Emil Quandt moved to Prignitz in Brandenburg in the 19th century. He married the daughter of a textile manufacturer there and rose to control the company by 1883. From that base his son, Günther, began the building of a broad industrial power base. By the time of Günther Quandt's death in 1954 he had expanded his holdings to financial positions in about 200 companies. His son Herbert began his business career in the family's battery company, Varta. He became head of Varta and after his father's death took up the leadership in expanding the family's holdings and fortune.

One of the acquisitions in the following decades, which is of particular interest to residents of the Twin Cities, was that of the Minnetonka based company, Datacard. As Herbert Quandt had had a vision of



the potential of BMW years earlier, there was now a vision of the potential of the plastic card industry. Datacard, an early leader in the industry, was open to acquisition by the Quandts. In the hands of the Quandt family, Datacard became one of the world's leading magnetic card companies with operations in over 200 nations throughout the world. Datacard employs more than 1,600 people worldwide and generates annual revenues of more than \$300 million. The company's bank and corporate customers issue over 7 million cards per day. The Quandts are also invested in another of the world's leading card companies, the French based Gemplus card company. Herbert Quandt had weak vision since childhood and by the time of his death in 1982 he was nearly blind. It was at least partly due to his bad vision that Herbert became a very private person avoiding publicity and public appearances. Quandt and his family did face significant public exposure, however, in 1974 when the family sold its holdings in Daimler-Benz to the nation of Kuwait. There was a good deal of concern at that time that Germany's largest corporation would potentially enter into a situation with a majority position owned by a foreign state. After his death Herbert's wife, Johanna, took primary

control of the Quandt empire. She would follow her husband's avoidance of publicity. Her two children, Susanne and Stefan, would become even more private. They give no interviews and seek to avoid mention of their names in the press.

Susanne, born 1962 in Bad Homburg, is likely the richest woman in Germany. Her personal wealth is estimated at over 8 billion dollars. She is married to television executive, Werner Kletten. The Klettens have three children. She and her brother Stefan hold two seats on the BMW supervisory board and hold positions of influence in other companies in which the family is invested.

Stefan was born in Bad Homburg in 1966. He is the richest eligible bachelor in Germany. It is estimated that his personal fortune is over 5 billion dollars.

A stain on the family history, albeit indirect, involved the first wife of Günther Quandt (1881 - 1954). Günther married Maria Magdalena Behrendt in 1921. They remained married only until 1929 and then divorced. In 1931 Maria married Josef Goebbels, who was one of Hitler's close associates and a leader in the Third Reich. She bore 6 children in the marriage with Goebbels. The children were with the Goebbels in the bunker at the end of the war. The parents poisoned the six children and then took poison themselves during the last days of the war.

Günther and Maria Quandt had had one child during the 8 years of their marriage, Harald. Harald was, thus, Herbert's half brother. When Günther died, the two sons from the two marriages, Herbert and Harald, each inherited 50% of their father's (already considerable) holdings. Harald died in a plane crash in 1967.

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