

## **Essay Contest 2016/17**

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### **Frank Stronach – Brilliant Businessman, Failed Politician**

Throughout history, there have been many remarkable Canadian immigrants who have become famous in different fields. Few of them, however, especially among the ones that emigrated from Austria, stand out as much as Frank Stronach. Born as Franz Strohsack in Styria, Austria in 1932, he emigrated to Canada with only 200 Dollars in his pocket. Based on this money, he built up Magna International Inc., a global automotive supplier with a more than 30-billion-dollar annual revenue. However, his attempt to enter Austrian politics with his party “Team Stronach” in 2012 has failed spectacularly, and the public tends to belittle his major commercial success as a result of this.

I’ve chosen to write my essay on Frank Stronach because of his impressive commercial success. While I disagree with most of his political opinions, he undeniably is an extremely capable businessman. Establishing a major corporation like Magna International from scratch is a task that many hopeful young people wish to be capable of. On another note, I find it very interesting to acquire a new perspective on someone that is only usually mentioned in one context. Stronach has made recent news mostly within the context of his political career and is therefore generally regarded as a politician, even though his corporate career is far more fascinating.

This remarkable corporate career did not start until after Stronach’s immigration to Canada. There are very few sources on what motivated him to emigrate; his biography on the website of his party, “Team Stronach”, explains that he wanted to see the world and achieve a better lifestyle. I believe that, in a sense, this really was what motivated him. When Stronach emigrated in 1954, post-World-War-II Austria was still occupied by the allied forces. While the Austrian economy had started recovering from the war and expanding, especially after 1947, one had much better chances of economic success in one of the more developed and vibrant economies overseas. Stronach applied for an entry clearance in Australia, Canada and the United States. Canada happened to be the first country to issue it to him. Like so many at the time, he took a ship overseas – with little money and lots of hope.

And like so many at the time, he had to face the rather harsh reality when he arrived – the streets in Canada were not plastered with money. Stronach's first job in Canada was as a dishwasher in a hospital in Montreal, Quebec. He had trained as a tool-and-die maker back in Styria, and in 1956 he was able to move to Toronto, Ontario and start his first manufacturing business, Multimatic Investments Ltd. Based in a rented garage in the old manufacturing district of Toronto, this business specialized more and more in automotive parts. In 1969, Multimatic Investments Ltd. merged with Magna Electronics and in 1973, the name of the combined company was changed to Magna International Inc. The foundation for Stronach's impressive career in automotive parts was laid.

Magna International Inc. (or short MI) continued to grow from then on through numerous mergers and acquisitions. Today, it consists of a complicated construct of several operating groups. It is the largest global automotive supplier and its activities range over several sections of the automotive market, from vision systems to entire concept vehicles. In acknowledgment of his work at Magna International, Stronach was made a member of the Order of Canada, the second highest honour in Canada. He was also awarded an honorary Doctor of Engineering and several Canadian and American thoroughbred horseracing awards for his work with the Stronach Group, which owns and operates twelve high-profile horse racing tracks in North America and one in Austria.

Apart from his business activities, Frank Stronach has always maintained good relations to politics in Canada as well as in Austria, respectively. Thus, he had/has (?) close ties to Karl-Heinz Grasser, former Austrian minister of finance, who had earlier been employed at Magna International. On several occasions, Stronach has also – relatively unsuccessfully – attempted to launch a political career of his own. He was a candidate for the Liberal Party of Canada in the federal elections of 1988, but was defeated. However, his daughter Belinda Stronach later became minister of human resources in Paul Martin's government. In 2012, Stronach attempted to enter Austrian politics with his very own party, "Team Stronach". As mentioned before, he failed spectacularly and involuntarily became a laughingstock – especially because of his bizarre appearances in the media. He acquired a doubtful reputation for almost comically disrespecting the format of interviews by interrupting interviewers. Once he attempted to read aloud an elaborate, 5-minute statement on an

Austrian news programme, when asked whether or not Magna International was involved in the acquisition of 15 tactical aircrafts of the type Eurofighter in 2002, which cost Austria €1.56 billion and was likely accompanied by bribery.

Stronach's political agenda included introducing a debt limit and a flat tax as well as reducing the federal administration. Another centrepiece of his agenda was turning away from the European Union in order to, as he stated, promote sovereignty, market economy and competitive environment. One of the inadequacies in Stronach's agenda was his belief that a nation could be run the same way as a corporation, an idea that turned out to be flawed because a nation, contrarily to a corporation, does not have the main objective of profit maximisation, but to guarantee the security and prosperity of its citizens.

To conclude, Frank Stronach is a brilliant businessman and in that sense an archetype for any entrepreneur and arguably the most remarkable Canadian immigrant with Austrian roots within the last century. This aspect of his person often tends to be forgotten over the lively memory of his catastrophic political agenda.

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