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WORLD • OBITUARIES

Gerhard Andlinger's High-School Essay Led to Lucrative Investment Career

Austrian-born entrepreneur won a writing contest, then studied at Princeton and Harvard

By James R. Hagerty
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Confidence was one thing Gerhard Andlinger had in abundance. "I don't respond well to 'it can't be done.'" MERRICK ANDLINGER

As a boy in Austria during World War II, Gerhard Andlinger was hungry enough to steal sweet potatoes and cold enough to scavenge for coal along railroad tracks. He found a way out when the New York Herald Tribune ran a contest in 1948, inviting high-school students in Europe to write essays entitled "The Kind of World I Would Like to Live In."

Young Gerhard was among the winners, earning a trip to the U.S. with other students, who met President Harry Truman and dined at the Waldorf Astoria hotel in New York. He was particularly impressed with Princeton University and won a scholarship to study there. He then earned an M.B.A. degree from Harvard University.

Mr. Andlinger worked for McKinsey & Co. and International Telephone & Telegraph Corp. before creating his own investment firm to buy struggling companies and whip them into shape. When a colleague listed the risks of one deal, Mr. Andlinger said: "You see problems. I see opportunity."

Tall, trim and dapper, he did well enough to own an 8,300-square-foot apartment overlooking Manhattan's Central Park, buy an airplane and hire a yacht-racing crew. He donated large sums to Princeton and other organizations.

Mr. Andlinger died in his sleep Dec. 22 at his home in Manhattan. He was 86.

Confidence was one thing he had in abundance. "I don't respond well to 'it can't be done,'" he told Fortune magazine in 1986.

By the standards of self-made tycoons, his craving for publicity was modest. When he decided to give $100 million to Princeton in 2008, a trustee of the university mentioned that he could set a record by bumping his gift up to $102 million. "I told him my feeling was that was Mickey Mouse," Mr. Andlinger told an interviewer from the university's alumni magazine.

Gerhard Rudolph Andlinger, known as Gerry (pronounced like Gary), was born Jan. 17, 1931, in Linz, an industrial town in Austria. His father, who worked for the postal and telegraph service, died when Gerry was 8. His mother was a bookkeeper.

American GIs were a big influence on his teenage years. He learned English by reading their discarded Life magazines and listening to Armed Forces Radio. "I listened to the news and the music, which drove my mother up the wall," he later told the Princeton Alumni Weekly.

During his first visit to the U.S., when he was a teenager, he stayed with American families in New York, Denver and Los Angeles. When he returned home, he began applying to American universities and worked in steel mills while awaiting responses.

Soon after enrolling at Princeton, he asked people there which type of students earned the most after graduation. Told that working for an oil company in the Middle East was a good bet, he signed up for courses in Arabic. He ended up with a major in economics and a minor in Arabic, though he lost interest in the oil industry. While studying, he translated the war diaries of a German general and worked as a bartender.

To help earn his U.S. citizenship, he served in the U.S. Army in the 1950s at Fort Huachuca in Arizona.

He was seen as a whiz kid at McKinsey in the late 1950s but his career there ended abruptly when a supervisor accused Mr. Andlinger of recommending himself for a job at one of the consulting firm's clients, a violation of McKinsey norms.

He jumped to ITT and, in the 1960s and 1970s, worked with the conglomerate's chief, Harold Geneen, learning to buy, sell and run businesses in the U.S. and abroad. He became president of ITT's European division in the late 1970s but then was pushed out in a management shake-up.

Once he set up his own investment company, Andlinger & Co., he focused on buying manufacturing and distribution companies. Unlike some better-known buyout specialists, he wasn't interested in glamorous businesses with billion-dollar market values. He sought obscure, beat-up companies that could benefit from smarter management and better financial discipline. His firm had offices in Vienna and Brussels as well as Tarrytown, N.Y.

Many of his partners and associates in the firm were also veterans of ITT. He liked colleagues who had the experience that came with what he called "corporate scar tissue."

Among his investments were companies making oil drums, playing cards, electrical insulators and photographic paper. He tried to avoid businesses subject to fads, such as retailers or makers of consumer products. That wasn't his expertise. One of his most disappointing investments was in

Foster Grant, a maker of sunglasses, a business subject to the whims of fashion.

Mr. Andlinger also avoided seeking capital from outside investors because that would make him beholden to their expectations about annual returns. He was careful not to hang on to businesses too long even if others thought they had huge growth potential. "Nothing goes to the moon," he reminded colleagues.

He had a painful brush with regulators. Mr. Andlinger and certain associates agreed in 2003 to pay $3.4 million to settle charges by the Securities and Exchange Commission that they traded stock in NetOptix Corp. based on insider information. They neither admitted nor denied the SEC's charges.

Mr. Andlinger's family life was complicated. His five children came from four mothers.

In his early 70s, he spent much of his time with his two youngest sons sailing across oceans in a 160-foot yacht. He continued skiing until he was around 80.

He is survived by Jeanne Dailey Andlinger, his wife of 26 years, as well as four children, four grandchildren and two great granddaughters. His son Gerhard R. Andlinger II committed suicide in 2011 after suffering a severe concussion while playing lacrosse..

Among his gifts to Princeton was funding for the Andlinger Center for Energy and the Environment. Part of his aim was to support research into climate change. It was characteristic that he saw that as not just "the largest problem that mankind has" but also "an enormous opportunity for American business."

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James R. Hagerty, known as Bob, is based in Pittsburgh and writes obituaries and other feature stories for The Wall Street Journal. Over the past four decades, he also has worked as a reporter, editor and bureau chief for the Journal and the International Herald Tribune in Hong Kong, London, Brussels, Pari...

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