CH10: Jung Ju Young:
Founder of Hyundai Group &
Korean National Builder
Jung Ju Young (Nov 25, 1915 - Mar 21, 2001)
1. Early Childhood

▲ Born of first son of a large poor peasant family in North Korea
- learned Chinese literature from his grandfather
- attended a primary school only
- Blessed with hardworking, intelligence and a desire to learn, Chung picked up his education informally by reading business documents himself

▲ Chung twice tried to leave his village in search of better chances
- He secretly sold family cow & walked all the way by himself to Seoul with the money.
- Worked at rice shop as a delivery boy
- When 18, laborer at construction sites

▲ After the Korean War (1950–1953), he set up 2 small companies with borrowed money from friends
- Hyundai Motor Industrial Company in 1946
- Hyundai Civil Industries in 1947
2. Company Expanded along with Korea

▲ General Park Chung Hee made a coup (1961; p1)
▲ Main purpose
- Getting out of nation's poverty and economic development
- Industrialize Korea
- Free from dependence on foreign aid
--> Close relationship with businesses

▲ Korea pushed massive postwar drive for reconstruction & industrialization.
- Jung's companies becoming Hyundai Group
- engine of Korean economic development
- Built Korea's social & economic infrastructure
  ex1) Soyang River multipurpose dam (1967)
  ex2) Seoul-Busan Expressway (1970; p2)
  ex3) Nuclear power plant (1970: 1st in Korea, 24th in the world)
  ex4) Ulsan Shipbuilding Yards (1973; largest in the world)
  ex5) Thailand Expressway (1965)
ex6) Jubail Industrial Port in Saudi Arabia (1970s)
   - The largest construction project of the 20th century
   - $1 billion (half of Korea’s annual budget at that time)
1) **Turtle Ship (p4)**
- **Admiral Lee** invented turtle ships during Korea-Japan War (1592-98)
- Turtle ships won all sea battles against Japanese ships.
2) Entering Shipbuilding Industry (1970s)

▲ Decided to enter into shipbuilding, ignoring that Hyundai had no experience, capital, or shipbuilding technology whatsoever.
- Jung went to an English bank to ask for loan.
- Bank said no because Korea has no record of shipbuilding.
- From the bank's perspective, the risk was too high to take.

--> They turned down Jung's loan request.
-->) Jung never gives up easily.

▲ He showed a 500won Korean note from his wallet to the banker.
- He said that Korea was already building turtle ship, the most advanced warship of its time, 500 years ago.

--> Got the loan ($100M)
- He constructed what would become world's largest shipyard (1972).

▲ Now
- The world’s No.1 shipbuilding (V1)
- US$ 30.6 Billion Worth of Orders (2014)
- 15% share of the world market
- capable of building all types of ships
4. Hyundai Kia Automobile

▲ Hyundai Logo
- Stylized $H$ represents 2 men (brand-buyer) shaking hands

▲ Surpassed Ford by just 8,000 units (2009)
- 2nd largest automaker in Asia after Toyota
- World's 4th automaker (GM, Volkswagen & Toyota; V2)

▲ 2011 Hyundai Sonata
- TOP SAFETY PICK by US Insurance Institute for Highway Safety (IIHS)

Jung Ju Young: Leader of Hyundai Group
▲ Hyundai Automobile signed with Ford & learned technology (1968)

▲ 「Pony」 (1975)
- First Hyundai car
- 16th country to develop a car
- shipped overseas (1975)
- 「Pony Excel」 exported to US (1986; 100,000 cars for first 6 months)
- 「Sonata」 (1988)

▲ Now operating in 193 countries through 5,000 showrooms & dealerships
- Hyundai Automobile Brand having entered first 100 most valuable brands of the world.
- Focused on technology & advertising campaigns
## Sales of Hyundai Cars

<table>
<thead>
<tr>
<th>Domestic Sales</th>
<th>Passenger Cars</th>
<th>421,696</th>
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<tbody>
<tr>
<td></td>
<td>SUVs</td>
<td>76,814</td>
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<tr>
<td></td>
<td>CVs</td>
<td>185,060</td>
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<td></td>
<td>Total</td>
<td>683,570</td>
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<tr>
<td>Overseas Sales</td>
<td>Exports</td>
<td>1,193,343</td>
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<tr>
<td></td>
<td>Overseas Plants</td>
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<tr>
<td></td>
<td>Total</td>
<td>3,368,146</td>
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<tr>
<td>Global Sales Total</td>
<td></td>
<td>4,051,716</td>
</tr>
</tbody>
</table>
5. Asan Foundation

▲ Setting up Asan Foundation (1977)
- Giving back to the wider community
- Similar to Ford or Rockefeller Foundations
- 4 Areas (medical support, social welfare programs, research/development, scholarship funds)

▲ Mottos

- "We are ready to help those who are most underprivileged."
- "If you cannot see a road, find out one road."
- "If you still cannot find one, make one road."
- "Dream is not enough. Challenge & make it come true!"
6. Active politically

▲ Chairman of South Korea's Olympic Bidding Committee (1981)
- Nobody thought Korea could host the Games because Nagoya (Japan) was a strong contender.
- 2nd Olympic host in Asia (1988)
- Turning point of nation's image

▲ Chung resigned as chairman of Hyundai Group (1987)
- Remained its honorary chairman

▲ Attempted to become President (1990)
- Economic power not enough to guarantee national wealth
- Unification with North Korea
- His new party won 31 seats in Congress election (1992)

- But failed to win the presidency (16% of votes; 1992)
Retired from politics (1992)

- But pushed North Korea project
- Mount Kumgang Tourism Project (1998)
- His efforts becoming groundwork for first historic South-North Korea Summit (Kim Dae Jung & Kim Jung Il; 2000: V3)

7. Management Philosophy & Conclusion

- Deep faith in intelligence, diligence & frugality
  - "I hate laziness."
  - "Use your head."
  - "Don't waste your money at all."
  - "Did you try?"

Jung Ju Young
- Founder of Hyundai Group (V4)
- one of South Korea's nation-builders