



**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)



Thailand (1965)

ex6) Jubail Industrial Port in Saudi Arabia(1970s)

- The largest construction project of the 20th century
- \$1billion(half of Korea's annual budget that time)

3. Hyundai Heavy Industry(HHI): Shipbuilding Industry(p3)



500 Korean won

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)

▲ 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

Sales of Hyundai Cars (2011)		
Domestic Sales	Passenger Cars	421,696
	SUVs	76,814
	CVs	185,060
	Total	683,570
Overseas Sales	Exports	1,193,343
	Overseas Plants	2,174,803
	Total	3,368,146
Global Sales Total		4,051,716

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 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