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[Dynasty Korea’s corporate roots] Kyobo founder discovered his calling from books

Shin Yong-ho’s love of reading manifested itself in his businesses

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“Daesan” Shin Yong-ho, right, founder of Kyobo Life Insurance, discusses the design of Kyobo Tower in Gangnam District, southern Seoul, with Swiss architect Mario Botta in June 1994. Botta changed the design of the building 17 times before the final version was approved to reflect Daesan’s ideas. [KYOBO LIFE INSURANCE]

“Daesan” Shin Yong-ho, the founder of Kyobo Life Insurance, had a philosophy on life that was focused on educating the public and creating capital that improves the nation.

Born in Solan Village in Yeongam County, South Jeolla, on Aug. 11, 1917, Daesan was the fifth of six children. His father, Shin Ye-beom, was an independence fighter who spent time behind bars during the Japanese occupation of Korea. Their father’s absence meant Daesan and his siblings had to live under dire conditions. Daesan especially had to help his mother tend to the family because his older brothers, like their father, were fighting against the Japanese.

Daesan’s father was just one of those people who accepted the idea of enlightenment earlier than others. He even cut his hair short, a taboo at the time, and studied Western texts, which were new to the country. When Korea came under Japanese colonial rule, Daesan’s father began educating young people. He opened a night school to try and awaken their nationalism,

and traveled around the province of Jeolla to lead sharecroppers in a rise against their tenants. For this, he was jailed twice and blacklisted by authorities. Even after his release, he was always chased by Japanese police.

Daesan's oldest brother, Shin Yong-kuk, was influenced by their father. When he was 20 years old, he participated in the March 1 independence movement in 1919. He was jailed after he continued the independence campaign in Jeolla. Like his father, Yong-kuk was closely monitored by Japanese authorities after his release and always on the run.

Shin Yong-ho chose Daesan ("big mountain") as his pseudonym to honor Mount Wolchul. He was born at the foot of that mountain, and growing up nurtured by the forest's wind and valley's water, he always had Mount Wolchol in his heart even later in life.

At a young age, Daesan was unable able to attend school because he was too sick. When he was 10, the family moved to the city of Mokpo in South Jeolla to make a living by providing lodging to students.

When the family moved, Daesan's younger brother, Shin Yong-hui, was able to go to school as he was 8 years old. But Daesan by then was legally too old to enter school and was denied acceptance. Daesan hated the contrast between his life and that of the vibrant students who were lodging in his home. But one day, one of the students gave him advice that he would never forget.

The student told him that there have been many successful people who weren't able to go to school and still managed to beat the odds. One example, he said, was U.S. President Abraham Lincoln, and another was American steel tycoon Andrew Carnegie. The student explained that Lincoln and Carnegie had one common trait: even though both men were unable to attend school because their families were poor, they had more knowledge than those who did because they self-educated themselves by always reading, even while they were doing hard labor, ever since childhood.

With the newfound confidence, Daesan began to study hard. When he wasn't helping out his mother with chores, he spent his time buried in books. If he had any questions, he would never hesitate to ask the students who were living with his family.

As Daesan's mother got older, she began struggling to make ends meet, so Daesan, at the age of 20, decided to leave home to find work. But ever the studious son, he set a goal of reading

Chronology

"Daesan" Shin Yong-ho

Aug. 11, 1917

Born in Nosong-ri, Deokjin-myeong, Yeongam County, South Jeolla

1940

Started a grain retail company in Beijing

June 1958

Founded Daehan Kyoyuk Insurance

January 1964

Inaugurated as chairman of the Korea Life Insurance Association

December 1980

Founded Kyobo Book Centre

July 1996

Inducted into the International Insurance Society's hall of fame

July 1997

Created a global insurance scholar award under the founder's name

January 2000

Honored by the Asian Productivity Organization

Sept. 19, 2003

Passed away at Seoul National University Hospital and buried in South Chungcheong

more than 100 books in the remaining 1,000 days he had at home. That meant he had to finish one book every 10 days.

But reading wasn't enough. Daesan decided to also write a review of each book to verify whether he understood the contents.

Once his goal was set, he was determined to sleep no more than four hours a day. Daesan was convinced that in order to succeed, he had to sleep less and spend less time playing with others.

His appetite for books was ferocious to the point of obsession. One work that later became a beacon for his life was a book on Helen Keller. Reading about the world's first blind and deaf person to receive a college education made him realize that nothing was impossible when people set their mind on a goal.

Later in life, when he became a major tycoon in the nation's insurance industry, Daesan would often tell his employees, "Use your eyes as much as you can to look at the world as if you have been given only three days to see with them."

The autobiography of Carnegie, the steel magnate, also inspired Daesan. From the book, the young man learned the qualities of a successful businessman. Daesan also enjoyed classic novels like "Crime and Punishment" and "The Scarlet Letter" (which at the time were translated into Japanese) and once even dreamed of becoming a literary scholar.

Through 1,000 days of reading, Daesan realized that the best teacher in life was books and that books made a person. This realization became a guideline for his life as he set off pursuing education and culture projects.

In March 1936, Daesan at age 20 made his first steps toward starting his own business. He hopped on a night train bound for Seoul, despite strong opposition from his parents, and settled in Hyoja-dong at the foot of Mount Inwang. One of his relatives, Shin Gap-beom, greeted him with open arms. When Daesan expressed his determination to move to China, Gap-beom gave him a huge loan that helped him land in China five months later.

It was around this time in Daesan's life that he set his life motto: if you can't find a road, make one of your own.

Upon arriving in China, Daesan went to a college friend of Gap-beom's who was president of Fujita Corporation, a Japanese company. While working there, he was able to save up and pay off the debt he owed to Gap-beom a year and a half later.

Gap-beom then introduced Daesan to independence fighter Lee Yook-sa. Lee advised Daesan to succeed in business and help finance his fellow Korean independence fighters. Upon his return home to Mokpo, he surprised his family by buying a house and several plots of land.

In 1940, Daesan started his own business in Beijing, opening an office on the east side of the Forbidden City. In just two years, his staff grew to 200 employees.

In 1943, Daesan received word from his mother that his father had fallen ill. He immediately took the first train out of Beijing. To his surprise, Daesan found that his parents had arranged a wedding where he was married to his wife Yoo Soon-i.

When he returned to Beijing, Daesan funded independence fighter Lee Yook-sa's cause whenever he had the opportunity. Sadly, Lee was eventually arrested by Japanese police and passed away in his cell as he was being tortured.

When Korea regained its independence from Japan, Daesan made the sojourn back home. While traveling on a boat to Busan, he met Park Chung Hee, who would later become president. Park was wearing a military uniform that did not have his rank displayed, but he did have a long military sword. The two men made conversation during their trip to Busan.

Daesan opened up a publishing house, Minjok Munhwasa, which translates to "democratic literature company." Toward the end of 1946, the company printed a book on the independence fighter Lyuh Woon-hyung, which became a huge hit. Despite the success, Daesan decided to fold his publication business after realizing the unfair distribution structure of the publication industry at the time.

He started to open other businesses one after another but was forced to close up shop during the Korean War in the early 1950s.

After the war ended, Daesan took out a loan worth 600 million won (\$498,790) at the time from the Korea Development Bank to start a steel company. He bought a 660,000-square-meter (150-acre) piece of land in Oryu-dong in Yeongdeungpo District, southwestern Seoul, and became the first Korean steel manufacturer to have a cold rolling steel production facility.

But when the plant neared completion, the promised loans were unexpectedly cut off and the company closed even before Daesan and his business partners could make their first trial test. His steel company was blacklisted by the government because one of his partners, Yang Il-dong, was an opposition party lawmaker.

Daesan became penniless. Not only was his house taken away but even his wristwatch. However, he never despaired and continued to search for new business ideas. He came up with the idea of providing insurance coverage in Korea for children's education.



Shin Chang-jae, current chairman of Kyobo Life Insurance, during a recent interview at the company's headquarters in Seoul. [LEE SOO-WAN]

But before he could start his new venture, he faced his first obstacle: a government ban on the establishment of new insurance companies. For six months, Daesan visited the home of the finance minister at the time, Kim Hyun-chul, and greeted him every morning before leaving for work. Kim finally gave Daesan the opportunity to have a meeting with him, and in August

1958, he founded Daehan Kyoyuk Insurance, the predecessor of Kyobo Life Insurance. He moved into the second floor of a building in Jongno 1-ga and ran the business with 46 employees, including seven executives.

The first product that Daehan Kyoyuk Insurance launched was education insurance, the first of its kind in the world. When parents pay for the insurance product, the money covers their children's tuition as long as they continue to move up in their education from elementary and middle school to high school.

Daesan then set his eyes on larger organizations, including the military, where he suggested a life savings insurance product. In 1967, he was able to sign a large contract with the Korean Army worth 17 billion won. That was followed by other major organizations including the Korean Navy and Korea Electric Power Corporation.

He then developed a cancer-related life insurance product and a comprehensive insurance program that covers most adult illnesses.

With Daesan's passion and tenacity, Daehan Kyoyuk Insurance in just five years became the industry's third largest by signed contracts. In 1964, the insurer became second largest, and in 1967, nine years after the company was founded, Daehan Kyoyuk Insurance took the No. 1 spot.

Daesan later expanded his business by creating nine affiliates including a real estate management company and brokerage firm. In 1995, the company changed its name to Kyobo, and its assets now amounts to 92 trillion won.

Among the affiliates, Kyobo Book Centre realizes Daesan's founding philosophy of contributing to the Korean public through education. Its first bookstore covered 5,500 square meters and had 1.78 million books. It was one of Asia's most unique bookstores because it also acted as a library. It not only had shelves stocked with books but also chairs where people could sit and read books as they would at a library.

Today, Kyobo's bookstore in Gwanghwamun, central Seoul, sells an average of 7.82 million books a year and has an average of 45,000 daily visitors.

This wasn't the only public service that Daesan was involved in. In 1991, he created an agricultural foundation with the goal of developing the country's farming industry. In 1992, he started a literature foundation aimed at supporting literary activities including translating quality foreign literature to Korean.

In 1983, he received a life insurance award from the International Insurance Society, a first for Korea, and was inducted into the organization's hall of fame in 1996.

In 2000, when he was honored by the Asia Productivity Organization, Daesan said he wanted to be remembered as a businessman who loved his people and education.

Daesan passed away on Sept. 19, 2003, at Seoul National University Hospital after suffering from liver cancer. He was buried at Mount Yesan in South Chungcheong.

Daesan had four children, two of them sons. The eldest son, Shin Chang-jae, is chairman of Kyobo Life Insurance. He was once an obstetrician and gynecologist at Seoul National University Hospital.

Chang-jae has two sons, Joong-ha and Joong-hyun, with his late wife Chung Hae-won, who was president of a women's foundation. His second wife Park Ji-young, whom he married in 2013, worked for the public relations office at Ewha Womans University. Park's father is the famous Korean sculptor Park Byung-wook, who was vice chairman of the Korea Fine Arts Association. Her brother Park Ji-hoon is an art professor at Konkuk University.

Chang-jae left his medical practice at the wishes of his father in 1993 to join the family business, first as head of the Daesan Cultural Foundation and then later at Kyobo Life. He became the life insurance company's vice chairman in 1996 and was promoted to chairman in 2000. During his time as a doctor, he enjoyed golf, smoking and drinking, but since he joined Kyobo Life, he has quit all three.

Chang-jae is also the chairman of his alumni association at Seoul National University Medical School. Members include entrepreneur-turned-lawmaker Ahn Cheol-soo and his wife; Sungkyunkwan University Prof. Kim Mi-kyung; Park Yong-hyun, Doosan Yonkang Foundation chairman and former president of Seoul National University Hospital; a doctor and former lawmaker Shin Sang-jin; Handok CEO Kim Chul-joon; Hanmi Pharmaceutical vice president Son Ji-woong; and Pfizer Korea director Lee Won-sik.

Daesan's second son, Shin Moon-jae, is CEO of Designer Image and has a daughter Hae-ji with his wife Lee Jung-sook.

Daesan's eldest daughter, Shin Young-ae, is married to Ham Byung-moon, a Seoul National University Hospital anesthesiology professor. The two have a daughter Hyun-jin, son Ji-hoon and youngest son Se-hoon.

Daesan's younger daughter, Shin Kyung-ae, is married to Park Yong-sang, head of the Press Arbitration Commission. They have a son Ji-won and daughter So-hun.

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