The Key to Success – Collating Information & Connecting It to Business

By Mukesh Williams

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On June 4, 2019 I met the CEO of System Shared Inc., Iruchu Jo, a third generation Korean, in his office in Akihabara and asked him questions regarding his early life, dreams, setbacks, corporate philosophy and business challenges. Doing part-time work and playing soccer, Jo learnt to develop practical skills. Adversity in his early life gave him an intense passion to realize his goals and never give up. After many failures he set up an IT company at the age of 25 called System Shared (2007) which now creates software for companies and trains employees in information technology and system development. Young and energetic, Jo believes in taking up small practical projects closer to home and then globalizing them. Initially training company employees in computer languages and educational philosophy, he expanded his company to open an IT school in Nihombashi to train young Japanese in computer languages. Realizing the urgency to innovate and keep abreast of new technology, Jo has introduced artificial intelligence (AI) and cloud computing in the workings of his company. He believes that passion is of paramount importance to achieve success and therefore his motto in life is "Never give up".

Life & Struggles

Williams: What were your ambitions in your youth and the hardships you faced realizing them?

Jo: I did not go to university. My family was not rich at that time and they could not afford my higher education. I always wanted to be a professional football player and go to Paraguay to hone my skills in football. At the age of 18, I made 400,000 yen per month doing part-time jobs to realize this goal, which meant working 16 hours per day.

Williams: What kind of part-time jobs did you do to

Photo: Author

CEO Iruchu Jo at his Akihabara office

generate that money?

Jo: Well, I did different kinds of part-time jobs such as Korean translation in Chiba, working in an *izakaya*, at a convenience store and also delivering newspapers.

Williams: What did you learn from this? And what did you do with your money?

Jo: I understood that there was always a limitation to physical work, but any work can be fun if you do it joyfully. So, after I worked part-time for one year I could collect the requisite money. I asked my father to keep the money in safe custody as I feared that I might use it up. Meanwhile, I also learnt Portuguese and practiced football. So one day I asked my father for the money but he tearfully told me that he had used it up to unsuccessfully revive his business.

After this incident, I decided to give up my dream of becoming a football player and started to look for job opportunities in Japan. I worked in 20 different sectors but in the end concluded that systems development was the most interesting work as it had no limits. Also I liked the people around it. There are two points I wish to mention here: first, there is no physical limit in working with IT, and second, it requires team work which allows people to communicate. My knowledge of soccer did not result in success in that area but I used my soccer experience in system engineering. For five years I worked in this industry and in my last year as a 'would-be' systems engineer I worked on projects related to flip phones making a Contents Management System (CMS) and Sales Force Automation (SFA). But neither sold. When I first started this, I took action before thinking. I thought I should first take action before being worried about whether

something will work out or not.

Williams: If you act without thinking it may lead to many problems.

Jo: My philosophy was never to be scared of anything but try it out first. Since I took action first I lost out on many things. I had three employees in my company but things did not go well. Soon I realized I had no money, no food, and no time. When things were taken away from me I began to realize their value. In my business I did not see results but in my life I did. During these hard times, I wanted to run away. In the first year, as the banks did not lend me money, I borrowed 37 million yen from people I knew. Sales were only about 200,000 yen and profits kept decreasing for two years and I wanted to run away.

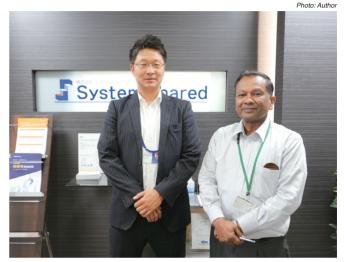**Williams: Why did you not succeed in the beginning?**

Jo: I then I realized that my heart was the reason for this; I was not 100% in it. From that day on I decided not to run away and succeed in this sector, and from that day onward sales went up. In three months, sales went up three times. It was unbelievable. I now had time to breathe and look at what I was doing. I learnt and felt many things deeply. It is not just profit figures that develop a business but what values we create as a human being. So, after my success, I focused more on the purpose, the ultimate goal and importance of doing business. I always embrace challenges and never give up until I succeed. Therefore "challenges" are central to our company. This comes from the hard experience that I have gained in the past.

Williams: Was there someone you would discuss some of your problems with, maybe a best friend?

Jo: I received help from a friend who is three years senior to me. He listened to my issues connected to business and helped me. He sensed my weighty problems and took me out for dinners. With him I could organize my thoughts. There were several other people who would also ask me to go out. Also, every weekend I worked as a football coach for children and at that time I forgot my problems.

Williams: Do you remember any memorable advice that your senior gave to you?

Jo: He said that being human is most important, and everything will be fine. Be positive and look forward, not backwards.

CEO Iruchu Jo at his Akihabara office with the author

Work & Company

Williams: Can you describe your company's general structure, target, goals and a little bit of history?

Jo: As I have mentioned, the solutions I created initially for clients did not sell. So I decided to throw away these early products and start from the systems that the clients wanted. I started focusing on systems development, which meant engineers were necessary. From the day I started my company in 2007, I have put my energy and money into educating employees. As my company was busy with sales activities, I asked four other companies to take care of training our employees to become capable systems engineers. But when our employees returned from the training there was no substantial improvement in their skills. Later I got to know that such IT training programs were mainly for employees who had basic knowledge of information systems or who had a degree in technology. The problem was that the employees that we were sending to the companies came from a humanities background and did not have any knowledge in the IT sector. There was no first step for them. Because of this, I felt that we needed to train our own employees in our own company, and to create a training course indigenously and make it number one in Japan. Once we created our internal training program, our IT business partners asked us to train their employees as well. This would mean that we would be helping our competitors by increasing competition in the same sector. But I decided to think in terms of the philosophy of the company and thought it would be

Photo: Author

Tokyo IT School Nihombashi

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A class in session at Tokyo IT School

important to include our competitors and enrich our lives.

Williams: How has the internal training program helped your company?

Jo: At present we run two main businesses areas, systems development and IT education. The IT education business started with 20 students who had no experience in technology. But at the closing ceremony they were all crying with happiness. When I saw this scene from the back of the classroom, I had goose bumps and that was when I decided to do business in this area. For three years the sales were slack but after the fourth year sales balanced themselves out. Our target is to bring in new employees of 15,000 IT companies in Japan as our students, which is around 30,000 students nationwide. Now we are also targeting CEOs of big companies in Japan to do private IT lessons and thereby expand our IT education to non-IT companies as well. In the IT era we live in, I feel there is growing demand for acquiring basic IT skills. As it is important to understand the actual systems development projects we use our systems engineers in projects related to development. Even the programming lecturers develop input and output programs. I believe this is IT education in Japan. We have engineers going into systems development and IT education. We have systems development engineers researching in big data and teaching at the same time. The situation is quite fluid.

Williams: What are the unique aspects of your

company that sets you apart from other Computer Based Testing (CBT) companies?

Jo: The specialized point of our IT educational business is that we have active engineers who work as lecturers and who have experience in systems development projects. They can impart education in both IT education and systems development.

Williams: What is the strength of your company, as compared to other companies, that you would like to project?

Jo: Our strength is a unique IT education philosophy – that is, to learn and teach others. We have created an environment for students to learn, to practice and to teach others. Also, we have solutions for the various needs of clients. Some clients ask for software only, some for a system. Depending on each need, we combine both IT and IT education to solve these issues. There are over 15,000 IT companies in Japan of which 40 companies are doing IT education, and only three companies doing both systems development and IT education, including us. Moreover, we are capable of listening to a client's specific needs in technology, like a certain type of framework in programming or a specialized knowledge of business. We can provide detailed specifications for training company groups or individuals. We started our IT education as a free internal program to train candidates and then hired them. We considered the program as a B-to-C project whose primary focus was to provide free

programming skills to those who wanted them. At that time, there was a trend in teaching people for free and then hiring them if they developed requisite skills. Now we do not do these things as it is not profitable.

Williams: As Japanese companies are globalizing into India there is a new need for IT education of Japanese employees through the Japanese language. Would you like to globalize your company's CBT in Java and Oracle to a Japanese clientele in India?

Jo: We are not focusing on globalizing Java and Oracle. I believe the products to be globalized depend on country and era. I want to provide the necessary IT education for clients. For instance, I want to provide programming training to countries strong in offshore development, and advanced technology for countries that have achieved development in technology. Also, we are now trying to create a hiring support system in the country and expanding our business in three sections, namely recruitment, systems development and IT education. I believe that B-to-B is needed for national markets and B-to-C for foreign markets. For those who are financially healthy, we will work with this model but for those who are not, we want to change the monetization procedure.

We do not currently have a concrete plan to expand abroad. We have set our goal to be number one in Japan by 2025 and believe this is one way to globalize our business as it will connect to branding outside the country. In the process of achieving this goal, we will be going abroad to assess new possibilities. We have experience as Japan once faced the same situation in the past. By and large, Southeast Asia is marginally interested in improving business efficiency through IT as it enjoys a cheap labor force. In the coming five to 10 years, as IT spreads in societies, we would plan to enter the global market. Once we develop our IT training courses abroad, we want to give the opportunity to students in those countries to become lecturers and teach others.

Williams: What is the most important consideration while imparting IT education to students?

Jo: I am talking not necessarily of IT education but of education *per se*. Research done by Prof. Robert O. Brinkerhoff and Anne M. Apking on high impact learning claims that students absorb only 20% of training courses as compared to development of skills (*High Impact Learning*, Perseus Publishing, 2001). These days anything can be looked up on the Internet by using the Google search engine, including teaching materials. So the most important factor is to create a desire to learn amongst students. As for CBT, we have not yet developed this area. We have materials for flipped learning where we ask students to learn online and study offline through development exercises, and then give them certification according to the skills they have developed. This style has been used at Harvard University and has proved quite successful; we too have implemented this method in our courses.

Williams: The modern banking sector is shifting towards AI and cloud technology. How do you plan to direct your company in this direction?

Jo: We have been teaching AI. AI is used as a marketing tool and the technology is still in its infancy. We are emphasizing cloud computing such as Amazon Web Services (AWS). First of all, our engineers need to learn the technology. Compared to olden times, creating a system has become much easier. For instance, in host computing, programmers were only required to check the logic. After the opening of technology, it became necessary to have understanding of hardware. Now there is a narrow borderline between software and hardware. We are currently in an era where information is an asset. How we can bring together information and connect it to business is the key to success. In order to go forward in AI technology, it is necessary to move into cloud technology, including retailing it. These days, the front-end IT businesses have become free and a shift is taking place in back-end businesses where all the information is accumulating. Some of the important information in our sector would be information related to systems engineers, work evaluation, skills, and educational personality.

Williams: How did you train yourself in the rather difficult field of technology?

Jo: The point here is to like the work you are doing. I look up the subject, the field I am interested in. I have an interest in learning. I have become aware of technology. I try to listen to people in actual projects and input knowledge and try to speak to people. By doing so, I can realize my mistakes. JS

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