

Client-Centric

An Interview with Alan S. Elkin,
Chairman and Chief Executive Officer, Active International



Alan S. Elkin

EDITORS' NOTES A native of New York, Alan Elkin received his B.A. from Brooklyn College and began his career at Kaiser Broadcast, the predecessor to Katz Media Group, the largest media representation firm in the United States. Since founding Active International with Arthur Wagner 20 years ago, Elkin has been awarded the Entrepreneur of the Year Award by Ernst & Young, and has received the Averell Harriman International Trade Award, and the British American Business Inc. (BABi) Award, in recognition of Active's global accomplishments. He has served as President of the Corporate Barter Council for the International Reciprocal Trade Association, and has been on its board of directors for the past 10 years. Active Cares, which he created with Arthur Wagner in 1997, has provided contributions to more than 600 charities. In 2005, Elkin received the Medal of Honor from Good Samaritan Hospital for this work. In 2006, the company acquired the naming rights for the Active International Cardiovascular Institute at Good Samaritan Hospital.

COMPANY BRIEF Founded more than 20 years ago and based in Pearl River, New York, Active International (www.activeinternational.com) is recognized as the global leader in corporate trade, providing financial benefits to Fortune 500 companies in virtually every industry. The company acquires under-performing assets – including surplus inventory, real estate, and capital equipment – at up to full original value, in

exchange for cash and/or a trade credit, which is used to offset future operating expenses. With offices in 17 countries, Active has led the industry in the development of new standards of excellence for the acquisition of assets, the effective remarketing of those assets, and the provision of an efficient means for their clients to use their trade credits. Since 1984, Active has created over \$1.5 billion in cash savings for its extensive client base.

Looking globally at your operations, do you think there's an effective understanding of the types of services you provide, and how they can benefit the bottom lines of companies?

Active is a global company, and our footprint stretches around the world. That means we can acquire underperforming assets anywhere in the world and can sell them anywhere in the world. Multinational companies are certainly beginning to see the benefit of that global footprint.

The services you offer seem particularly well suited to the U.S. market. Is that the case, or is there an equally strong understanding of your services in some overseas markets?

In the United States, where Active has a 70 percent share of the market, most companies are aware of Active, and we function as a solution-driven company for our clients here. On the global scene, there are local companies in various countries that are beginning to learn about Active, and are using our services to optimize their underperforming assets.

Do you see opportunities for Active in China? Is that a market you've been focusing on?

China is an intriguing market, and we certainly wish to be there. However, we wish to be there at the right time. I don't think that the timing is right for us at this moment.

In your industry, does a company need to have a global footprint in order to survive? Is there a role for smaller, niche players?

Corporate trade is an industry, and as such, there are always going to be a number of competitors. In my view, competition is good for the industry. Active's view has been very straightforward from the early days. We believe that multinational companies in the United States and around the world are potential clients for

us. We may be international, but we are also just one company.

You mentioned being a solution-driven company. You started the company 20 years ago. Since then, how far have you extended your service offering? Do clients tend to expect a broader service offering today?

We have continued to develop our service offering. Active is a corporate trading company that evolves as the marketplace evolves. In each of the countries in which we do business, we adhere to the local business culture. In the United States, we have evolved to be able to offer strategy, branding, and media planning services. In addition to helping by acquiring the

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underperforming assets, we can help by liquidating the underperforming assets. In short, we look at a company and we try to find solutions for the different issues that company has, in order to improve its bottom line.

Some of the solutions you talk about involve high-level business strategy decisions. Do you need to deal at the highest level within your client companies?

Of course we have to, but in today's marketplace, we also need to be able to work with people in a cross section of different positions within a company. For instance, we often deal with procurement people. Procurement now plays a very significant role in cost reduction for companies. We also deal with chief marketing officers when it comes to media. Ultimately, we need to have relationships with a cross section of different people within a corporation in order to work effectively with that company.

Does Active have specific industry expertise, or do your services apply to all industries and types of businesses?

Our offering transcends all industry boundaries. I believe that there's no limit to the number of industries we can work with. The application of our methodology covers all sectors.

Active has been a true leader in the corporate trade business. Do you ever worry that your people will become complacent? Is it hard to keep them motivated and focused on the high standards and integrity for which you are known?

Complacency plagues a lot of companies, and I'm sure that Active is the same as all companies in this respect. However, I think that good, strong management stamps out complacency, and motivates, inspires, and challenges staff to do different things. At Active, we're passionate about what we do. That passion replaces any complacency there might be at Active. It's the same with enthusiasm. We like what we do, and therefore, we're passionate about what we do, and there isn't really much room for complacency.

Have you been able to find the talent you need? Is there sufficient knowledge and understanding about your industry to attract the best and brightest, who might otherwise be lured away to the financial services sector?

Finding talent is not an easy thing for any company, and we're always looking for talented people. We provide training and create career

paths for our people at Active, to encourage them to stay with us. I believe great companies need to do that on an ongoing basis.

Many young people are looking for a certain type of corporate culture when choosing their careers and the companies they want to work for. They often want to be able to give back to society and to get involved with the community. How important is that to you, as a leader?

Giving back is a part of the culture at Active, and our people are very much engaged with the community. It's a way for them to make a difference, and we've found that participation in charitable activities makes them enjoy their work more. I think it should be a part of every company's DNA to work hard and give back. The people of Active truly feel good about what they do in giving back to the community.

People tend to think of your business as being primarily people driven, but technology is having an impact across all industries today. How is it affecting the way you operate, from the delivery of your services to your client relationships?

I'm a great believer in technology, but technology is only a tool – it could never replace people. People use technology to become more effective, or to be able to do more with their time. So we're technology driven from an efficiency point of view, and I believe that's how technology should be used.

Looking ahead one or two years, what are your key priorities for the business, to ensure that the growth continues?

People, people, customers, customers – that's what it's all about. We're a client-centric company, and to be a good client-centric company, you have to have good people who sense it, and feel it, and manage to satisfy all the client's needs.

Considering the company's global footprint and its continuing growth, your time is pulled in many different directions. Is it important for you to still have client interaction? Has it become more challenging to find the time for that aspect of your job?

Active is a company built by people, and we have teams that effectively do more than I could ever possibly do as one individual. We're blessed to have such great people. So it isn't about me – it's about the team.

Those who know you well say you will never slow down, even though you could take it a bit easier now that the business is going so well. Do you ever think about slowing down?

As long as I'm here, I'm going to be as effective as possible, and work with the people of Active to grow our business.

Do you ever take the time to look back and appreciate how far you have come since you started the company 20 years ago? Or do you prefer to focus on the next challenge that lies ahead?

I usually focus on the next challenge, and look ahead. Am I appreciative of what Active has grown to be? Of course I am. Do I see it? Of course I do. But, at the same time, you must still move forward – and that's what we do. ●

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