

# Active Cares

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

**EDITORS' NOTE** Alan Elkin co-founded Active International with Arthur Wagner 28 years ago. Since then, he has been recognized with 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 entrepreneurial global accomplishments. Active Cares, which he created with Arthur Wagner in 1997, has provided contributions to more



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than 600 charities. In 2005, Elkin received the Medal of Honor from Good Samaritan Hospital for his work with Active Cares. In 2006, the company acquired the naming rights for the Active International Cardiovascular Institute at Good Samaritan Hospital. Elkin received his B.A. from Brooklyn College and is a native of New York. He began his career at Kaiser Broadcasting, the predecessor to Katz Media Group.

**COMPANY BRIEF** Active International ([www.activeinternational.com](http://www.activeinternational.com)) is recognized as the global leader in corporate trade, providing financial benefits to Fortune 500 companies in virtually every industry. Founded 28 years ago and based in Pearl River, New York, the company acquires underperforming assets – including surplus inventory, real estate, and capital equipment – at up to full wholesale value in exchange for cash and/or a trade credit, which is used to offset future operating expenses. Working with the world's leading brands, Active has helped its clients use their assets to fund marketing programs, create cash savings, and realize economic benefits that otherwise would not be possible. With offices in 12 countries, Active has created more than \$1.5 billion in cash savings for its extensive client base since 1984.

**For corporate trade, has this downturn offered more opportunities or has it been a time to wait and see?**

Although it's natural to see the opportunities for corporate trade during downturns, our model is effective in any economic environment. Corporate trade is often associated with solving an excess asset problem by helping companies avoid taking a loss, writing it down, or selling it in a secondary channel. However, many of our clients use it strategically. By

thinking about corporate trade as a "safety net", they can focus on producing the quantities they need to achieve their goals and if something occurs and they don't meet those results, they have another option besides liquidation.

**Is your growth primarily going to come from emerging and overseas markets or from the U.S.?**

The U.S. offers continued growth. It's an exciting time because we are seeing increased requests for corporate trade RFPs and it's not limited to

a particular category or asset type. From inventory to corporate real estate to marketing sponsorships, we're seeing more interest than ever in the U.S. On a global basis, our established international offices are major contributors to Active's business, in large part as a result of the strong local leadership we have in place. The emerging markets also offer tremendous opportunities and we are in the process of expanding our reach into new countries.

**Is there an effective understanding of your business in the emerging markets?**

Our business model is not as straightforward as, say, a consumer products company. So whenever Active enters a new market, we spend a lot of time researching the business environment, the culture, and the nuances. Once we've decided to move forward, we put local management in place. This greatly eases the integration and allows us to be more effective since there's always a ramp-up period and an education process that occurs. We want to have staying power and develop the right relationships to be successful for the long term.

**What role does community play in your business?**

Community is something we are passionate about at Active. From a business perspective, companies like to work with other companies that see the importance of giving; they want to work with companies that are good neighbors and do the right thing.

From an employee perspective, when we created Active Cares in 1997, the staff was interested in it, more than we ever expected. Our employees give their time as well as their money to the charities that are important to them and we are proud to support their efforts on the corporate level.

Active Cares was embraced by the entire staff of the company and around the world.

**With so much need, is it important for you to focus on specific areas?**

Although we're involved with 600 nonprofits, most brought to us by our employees, we focus quite a bit on local charities. In our small area, the number of people who come to food pantries for help has probably increased by 400 percent since 2008. This gives you a sense of what is happening in this recession. We spend a lot of time making sure that our money is best spent by the charity for programs rather than on administrative costs. So we go through a number of evaluations and make our decision.

**You have made a major commitment to the Active International Cardiovascular Institute. What was the initial vision for that and, in the early days, could you have imagined it would have become so prominent in the community?**

Our area lacked an accredited hospital for cardiovascular surgery, and with anything related to cardiovascular care, time is the enemy. So first and foremost, we knew the facility would save lives.

Did I ever expect it to grow and become a destination hospital that patients seek out for these operations? No. But that's due to the people that were brought in – they were the driving factor. The director of the hospital is a young guy who believes in the growth of the hospital and in the way medicine is changing, and he engages in that change.

The growth has been so enormous that they will soon be changing the name to the Good Samaritan Regional Medical Center to reflect its expanding programs and service territory. When we originally invested our name, time, energy, and people, it was a local hospital.

**You've talked about growing your global footprint and at the same time supporting the local community. What do you look for when you're hiring new employees?**

The most important thing for any individual that comes into Active is his mindset. We look for people who can thrive in an environment where there's a great degree of ambiguity; in today's world you can't be certain about anything. You need an intellectually curious mind and be willing to embrace change. We want people who are able to collaborate, who have empathy, and who have the drive and passion to solve a problem or create a new opportunity. ●