

Client Service is the Core of Our Business

An Interview with Arthur Wagner,
President and Co-Founder



Arthur Wagner

EDITORS' NOTE Arthur Wagner co-founded Active International in 1984. Prior to co-founding Active, he gained a reputation as one of the industry's most knowledgeable media experts. He held senior sales and management positions at four important broadcast companies: Seltel, Inc.; Katz Communications; Field Communications; and Kaiser Broadcasting. He has also made community involvement a priority.

How do you define effective client service?

Client service is the core of our business. It's about going beyond satisfaction, it's about making each client feel like they've partnered with the right company and they're receiving everything they expect, and then some. If you don't put the client first, you won't continue to have them as a client.

This thinking has been central to our growth. We've invested in the right talent – people with backgrounds in media, marketing, finance, operations, etc. On the sales side, we take a category approach, meaning each member of our sales team has expertise in particular areas. Right from the start, they're able to offer insights and solutions that can improve the business performance of the company they're talking with. Once a company becomes a client, they are assigned to a dedicated account director who is backed by a team to fully support their business. The collective team has a full understanding of what the needs are and, in addition to meeting those needs, is able to offer insights that provide ongoing value.

We may start out solving a specific problem, but more often than not, we grow into a strategic partner. Many of our relationships span more than a decade. This doesn't happen by accident.

How have the service offerings for Active evolved?

The company was built around media and media trading, and it remains our core product. However, a few things happened as our business grew: Sometimes our clients had financial challenges that required Active's involvement, but they were limited in media spend. By being able to offer areas like Freight and Logistics, Corporate Travel, Meetings and Events, and Retail Marketing, we're able to issue trade credits and retire them against these expenditures, and grow our business beyond just media.

What are some of the other goods and services you've added?

We recently went into a joint venture with a company that produces LED lights and digital displays. We're selling these products to out-of-home companies in the U.S. and in other countries, as well as to retailers. These are patented products that are lighter and more energy efficient than competitive products currently on the market. This is our process: we continue to research and develop new products for our clients and trading partners. It never stops, and that's one of the things that makes this business so exciting.

How broad is the market in terms of the value you can bring to companies?

Most of the Fortune 1000 can benefit because they have assets and they have expenditures that align with our offerings. While we only do business with companies where the right fit exists – and this is important – it's pretty limitless in that we can become a turnkey solution for companies that have ongoing asset challenges in areas like underperforming inventory, surplus real estate, and excess capital equipment. When a company finds itself with an asset that needs to be removed, we can take care of that and recover a greater value than traditional liquidation would yield.

This includes working with multinational companies. We have the same capabilities in each of our offices and we're able to transfer trade credits from one office to another. This provides our clients with a lot of flexibility regarding where the trade credits are used.

How can you remain innovative at your size and with your reach?

People typically resist change, but at Active, we look forward to it. We're constantly investing heavy capital in developing areas where the business community spends money. We create the financial leverage necessary so we can pass on increased value. The financial leverage we create when we purchase anything for our clients is real; most of the value goes to the client and we're left with some.

What's an innovative use of trade that people might not expect?

We recently were part of a multi-partner collaboration that supplied electric cars to the Bay Area Climate Collaborative so they could expand on their already progressive sustainability efforts.

We funded the leases through our corporate trading program, and worked with a national fleet management and services provider to develop the highly favorable leasing terms. As a result, the vehicles were secured under favorable lease terms, removing the upfront cost barrier and risk of traditional vehicle procurement.

How do you define your competitive set?

I'm not aware of any companies out there who are investing \$400 to \$500 million of their own money in a year to create the financial leverage necessary to operate and grow the business.

I don't know that advertising agencies invest their own money; they develop strategy and purchase media on behalf of their clients, but this doesn't make them traders.

How will an agency create the financial leverage on the buys they made? They don't trade or use their own capital to create leverage. This is a significant difference between our business model and the agency's model. There's room for both; we do different things.

Can you take time to appreciate what Active has become?

We went into this business as a pure start-up and 30 years later, we're still growing. Sometimes things work, sometimes they don't, but something always happens. I'm always looking to solve another challenge, so I don't often have time to reflect.

However, our company is our people; we give our people an opportunity and there are many who've made a career out of it. They have made this company what it is – we just gave them the best leadership we could. ●

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