

Employee Driven

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

EDITORS' NOTE Alan Elkin began his career at Kaiser Broadcasting, the predecessor to Katz Media Group. Since founding Active International with Arthur Wagner 25 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 entrepreneurial 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 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.



Alan S. Elkin

COMPANY BRIEF Pearl River, New York-based 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, which was founded 25 years ago, 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. With offices in 11 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 its clients to use their trade credits. Since 1984, Active has created more than \$1.5 billion in cash savings for its extensive client base.

How critical is community engagement to Active's culture, and is it a responsibility of business leaders today?

It has been a part of our culture for a long time, and it isn't just CEO driven; it's driven by our employees. That's how we began Active Cares. Our staff is linked to the community in many different ways and brings charities to our attention

that they think are important. We support those charities, provided they are 501(c)(3) and are able to give back to people who really need it. Then, we ask the staff who brought us the charities to participate by giving their time and energy in addition to the money we give. This encourages community activism and participation on the part of employees and creates a positive feeling about what their company is doing.

In regard to the significance of what companies do in terms of their community or the extended community, we firmly believe the corporate sector must remain involved during these difficult times. Even though we may be technically out of the recession, there is still high unemployment and that could, in fact, increase, putting even more people at risk. The government is doing some things, but it's not enough to meet the needs at the local level, so it's important for corporations to stay close and involved in their communities.

Active made a major commitment to the creation of the Active International Cardiovascular Institute (AICI). What made you feel that this was the right focus for you, and has the impact and its evolution been all that you had hoped for?

When the idea for the institute was brought to me, I understood that Rockland County had no facilities to address serious cardiovascular issues. One had to go over the bridges – George Washington or Tappan Zee, or travel into New Jersey – for any cardiac surgical care, which would consume large amounts of time. We felt that if we had a facility in Rockland County, there would be no doubt it would save lives. And that is what it has done. So far, the AICI has performed well over 700 open hearts surgeries. It has done so to such an extent that HealthGrades has named it the top cardiovascular surgical center in lower New York State.

I have been in supermarkets and strangers have come up to me to thank me for the Active International Cardiovascular Institute and tell me that it saved their loved one. It's a tremendous feeling that this company has the privilege of being involved in saving lives. What makes it even better is that it is five-star rated for coronary bypass surgery, as well as for treatment of heart attacks. It's a facility that has excelled and they're proud of it. And we, at Active, are proud of the work they do.

When you look broadly at giving from a CEO point of view, do you need to put metrics and parameters in place on the giving side in order to measure the impact that has been made?

When we first started Active Cares, we didn't have a strategy, and we soon realized that you need to be able to approach giving in a strategic manner, and you have to determine what the important components are for you. So we outlined a strategy for giving, the first priority of which was to support organizations providing immediate life-saving help to the public: food, emergency housing, a safe haven to escape domestic violence, immediate medical care, and shelter – the things that impact a person's life immediately.

So we weren't all that strategic in the beginning. It took us time to realize that giving should be approached with metrics to measure results. But when we did sit down to plan the AICI, we knew we wanted it to be the best, and I knew I wanted to be surrounded by collaborators from other charitable institutions who had the same view. Fortunately, most of them are as enthusiastic as I am, so it's absolutely rewarding to be surrounded by them.

When you see future leaders looking to come into the business, do you find that they have a strong desire to work for a company that has a corporate social responsibility component?

It is a different generation of employees. Past generations were more interested in developing their careers and in providing for their families; they weren't looking at giving and charity as much. This generation is a generation of sharers, and of giving. I'm very proud of our staff and what they do, and how they do it. They don't need to be driven – they do it because they want to.

It must make you proud to know that you have not only been able to help people build careers but that you have been able to do this type of work for the community.

It does, but I'm surrounded by people at the company who are equally as proud. When we put together some of our fundraising events, we don't draft people – they volunteer. They want to be part of something that gives back to their community. So we're surrounded by great people within the company who are eager to do these things, and it makes me proud to be associated with them. They share the same thinking and view that I have: that you have to give back to your community. ●