

The “What’s Next Economy”™

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



Alan S. Elkin

EDITORS’ NOTE Alan Elkin is Chairman and CEO. He co-founded Active International in 1984. Alan began his career at Kaiser Broadcasting, which, under his direction as Senior Vice President of Sales, later became Field Communications and then a subsidiary of Katz Media Group. He’s received the Entrepreneur Of The Year Award by Ernst & Young and the British American Business Inc. Award in recognition of Active’s global accomplishments. Alan believes that community involvement is as important as business leadership and through the company’s ActiveCares program, contributions have been made to over 600 charities since 1997.

COMPANY BRIEF With 34 years of experience, Active International (activeinternational.com) is a global financial solutions company that drives performance and improves business outcomes for leading brands. A data-driven company, with media as a core competency, Active operates a full service omnichannel media agency based in New York. In addition to media, Active brings to bear a broad portfolio of competencies such as Asset Disposition/Merchandise Sales, Real Estate, Retail Marketing, Travel and Hospitality, Freight & Logistics, and Lighting. Through the application of its core business model, Active is able to create financial benefits to serve its clients. Active International is based in New York and has offices in 15 countries.

You are known as a person who pioneered the whole concept of corporate trade. Active is now evolving into a business solutions company. Will you talk about that transformation?

Active, going back to its inception, has been an innovator in the marketplace. When we started the company, we saw an opportunity to solve problems in a way that no one else could. Our primary goal, then and now, was to apply our business model to deliver business outcomes that were most relevant to our clients. In its simplest form, our model enabled us to purchase excess inventory at a premium to market value, in return for a commitment to purchase services back through us. That was a novel idea in the industry at that time.

Since then, the marketplace has evolved in many ways, and so have we. In fact, there have been a number of transformations we have gone through since our inception 34 years ago, including the creation of new services and solutions.

What kind of transformation has Active gone through?

Today’s marketplace is very complex. Technology has driven disruption in every industry. Whether you are an established brand, a retailer, a manufacturer, a technology company, a media company, a corporate trade company – no one is immune. Within organizations, technology has upended how companies do business – from supply chain to procurement to finance to media and marketing.

We refer to this as the “What’s Next Economy” and define this as the volatile, shape-shifting business environment fueled by accelerating change in technology and consumer behavior. It really expresses everything regarding today’s complexity in the marketplace.

When you’ve been right in the middle of all the waves and ripples and pain of business for four decades solving your clients’ problems,

you can feel what’s coming. We knew we had to retool and reconfigure ourselves for the “What’s Next Economy.” We knew that if we wanted to continue providing our clients with solutions that impacted their business in this “What’s Next Economy,” to help them achieve more in such a volatile environment, we needed to embrace that disruption, understand how to use technology to our clients’ advantage and to our advantage, or we would fall behind.

How did you transform Active for the “What’s Next Economy”?

We’ve always taken an agile approach to our business, so when we set out to transform our company, we looked at it holistically and from the ground up. This helped us realize that we had to change the way we work and build on our core. We knew it would be the only way we could continue to improve outcomes for our clients and our business, to help them achieve more. This also meant evaluating our solutions, our services, our partnerships, our technology and our talent. When we did,

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it gave us greater expertise to help our clients achieve more in these volatile, unforgiving times. We left no stone unturned as we pivoted the company for the future.

How has this transformation changed the solutions and services that you are offering?

Our business model and the value we deliver is built by using our own capital to create leverage and spread. This is at the heart of our business and will not change. The advantage of developing leverage and spread is the creation of efficiencies for our clients. Their profitability vastly improves, and we don't charge any fees.

However, the application of our model has expanded in numerous ways. We offer a broad suite of financial solutions that are customized to our clients' needs, and we have expertise in practice areas including asset disposition, media, retail marketing, travel and hospitality, freight and logistics, lighting, all supported by a foundation of adtech/martech, artificial intelligence, and predictive analytics.

As Active has grown, how have you remained nimble and entrepreneurial?

We knew we wanted to maintain our entrepreneurial culture because it was a key component in delivering innovative solutions to our clients. One of the many ways we did this was by launching an internal initiative focused on collaboration, cooperation, and coordination, under an umbrella of communication. Using online learning modules as well as internal "cohort" training meetings, this initiative helped to create a common language and goals that aligned the organization, ensuring that our employees were working together, across departments and across countries.

Where do you expect the growth to come?

Since we have pivoted to become a business solutions company, I see growth coming from a number of areas but they all have one thing in common – we provide a unique service that spans the enterprise. Our financial benefit impacts the bottom line, our media and retail marketing solutions create engagement, our technology provides insights and efficiencies. I don't think there's a company out there that wouldn't benefit from these services.

How do you define the Active culture?

I mentioned earlier that technology has disrupted every industry. It has also disrupted how companies operate internally. With data and information at everyone's fingertips, decisions can be made throughout the company, not just from the top. As we empower people and encourage them to make decisions and, as people learn about and use technology, they become much more knowledgeable and they can make decisions in a faster, better, and smarter way than ever before. Our culture thrives on this.

When it comes to bringing in that next generation of talent for Active, are you looking for those from traditional marketing backgrounds or is it more about the cultural fit?

Over the years, there are two qualities that I have found that makes a huge difference. Being curious and having emotional intelligence. If you find people who possess these attributes, they can learn almost anything and more easily adapt.

You also built a company that valued community engagement early on. From a leadership point of view, how important is it that businesses today are engaged with key issues facing society when it comes to driving change?

I've always believed in giving back to the community and this is embedded in our culture. Every one of our offices around the world is involved in some sort of charitable endeavor. It's so important that we created opportunities for employees to volunteer their time during office hours.

Was it initially difficult to realize you could not be engaged in every aspect of the business as it has grown?

CEOs today need to realize that with the increasing speed of business, they can't handle everything themselves, but they can continue to be contributors. We work to support the people who are going to make the front-line decisions. This mentality is critical for the modern CEO.

I have an understanding of the business as a whole, so my job is to contribute that understanding and knowledge to my people so they can pass it on. ●

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