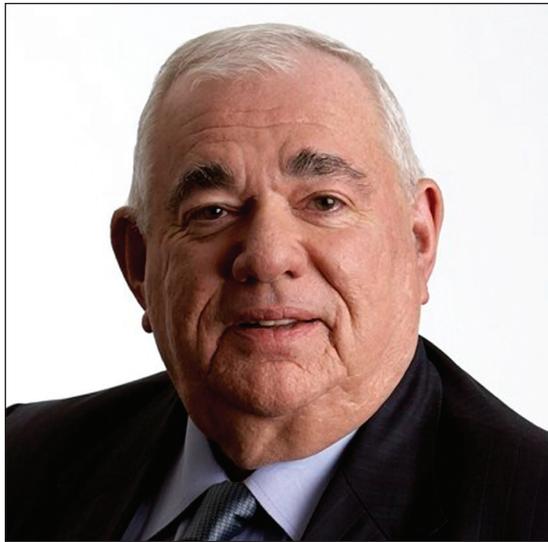


Interview

Global Corporate Trading



Alan S. Elkin

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

I see this business environment in terms of both challenges and opportunities. For Active, the key is to harness our entrepreneurial spirit and at the same time manage uncertainty so we can always deliver the best possible results to our clients no matter the economic environment.

When you look at the global nature of your business, do you still see major growth coming from the U.S. or are the opportunities greater in the emerging markets and the international arena?

There are strong opportunities, particularly for our category, in the global market – that includes both the emerging markets and mature markets. But the growth in the U.S. is still strong; don't discount the U.S.

As more players enter the field, is it challenging to differentiate Active and how are you adapting to what will be a more competitive landscape?

One of Active's strengths is that in the course of our 27-year history, we have adapted to many changes in the marketplace. In that regard, today is no different from previous times of disruption.

Competition is good – it takes away complacency. It makes us smarter and more nimble. As for the competitive landscape, it takes years to build relationships with media suppliers and asset buyers, and to become a proven industry leader. Like any business, new entrants can't establish themselves overnight and claim to have the skills and knowledge necessary to meet the demanding needs and flexibility required in the marketplace. Every day, we are focused on creating value with each trade and delivering the financial results that our clients and partners expect. As long as we stay focused on that goal, we will continue to adapt and grow. In addition we cannot forget the importance of a transparent and recognizable brand. Every day we live our brand.

How has your business adapted to changes in technology and is the media more focused on the digital space?

Technology is disruptive and is affecting every aspect of the media business. Everything is fusing together; television is linked to the internet so you can watch television anywhere at any particular time.

Radio is also adapting to the new digital model – today, you can see it as well as listen to it.

Newspapers are slowly adapting. The iPad is having, and will continue to have, a tremendous effect on newspapers and magazines.

We're transitioning as a population and as consumers, and we're demanding to get our news, see our TV programs, shop, and listen to music whenever and wherever we want to.

You are opening an office in China, which will be a key growth market. What made you feel the timing was right and how significant are the opportunities?

After extensive research and analysis into the marketplace, the culture, and the shift in consumer consumption, we believe that now is an optimal time to expand Active's brand into China. With 1.3 billion people, China is a manufacturing country as well as an export country, and is transitioning itself to become a consumer consumption country. There is a plan in China over the next 25 or 30 years to move 400 million people from the rural areas into existing cities and cities that have not been built yet; 400 million people is 100 million people more than the entire population of the U.S. When you think about the infrastructure required – streets, highways, sewers, schools – and the consumption of so much material and resources, and the people required to build it all, that's an awesome project. China is looking for strategic partners to provide the fuel and natural resources they're going to need. Their needs will make emerging markets richer.

We're also at a tipping point where a lot of trade will be done in the Indian and Pacific Oceans as opposed to the traditional trading routes between the U.S. and Europe through the Atlantic and the U.S. to South America.

Is it important to find local talent in those emerging markets or do you transfer people in?

We always use nationals. However, from country to country, we have also moved experienced people to work with the locals so we may reciprocally learn how best to leverage the local knowledge with our model. In China, we are looking for local talent to manage our offices, but they will be assisted by people from France, Germany, the U.S., and England.

Is it challenging to delegate some control as the company has grown?

No, because growth requires a broader approach and doing things differently than when we were a small company. You need to have talented executives with a broad range of success and experience, and we must empower them to continually raise the bar and increase the value we bring to our clients. ●

EDITORS' NOTE Since founding Active International with Arthur Wagner 27 years ago, Alan Elkin has been awarded the Entrepreneur of the Year award by Ernst & Young and has received the Averill 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 11 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. He began his career at Kaiser Broadcasting, the predecessor to Katz Media Group.

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. Founded 27 years ago, 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. 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. With offices in 12 countries, Active has created more than \$1.5 billion in cash savings for its extensive client base since 1984.

As the leader in corporate trade, does this economy provide additional opportunities or greater challenges?