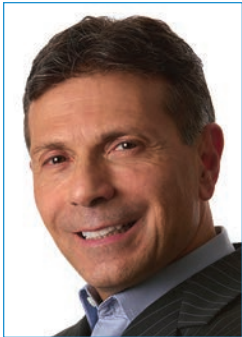


LEADERS IN GLOBAL CORPORATE TRADING

ACTIVE
INTERNATIONAL®
CREATING VALUE WITH EVERY TRADE

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 excess 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 16 countries, Active has created more than \$1.5 billion in cash savings for its extensive client base since 1984.



Jim Porçarelli

As Chief Strategy Officer, Jim Porçarelli brings nearly 25 years of advertising and strategic marketing experience from agencies such as MediaCom and the former DMB&B (now part of Publicis).

How do you define your role within Active and its leadership team?

My job is to be Active's eyes and ears in the marketplace – not just the current marketplace, but to project where the market is going. The other component of the job is to understand what are the best practices that a brand must have in place to not only compete in the marketplace but to outpace the competition.

How do you work with CMOs who may be concerned about using corporate trade?

In the past, this industry has worked primarily with financial executives. It was a logical approach because in theory it was easier to sell the finance person who would legislate participation by other divisions of his or her company.

But the world has changed and Chief Marketing Officers and Brand Management Executives are more budget compromised than ever before. The finance department in most cases can no longer legislate that they participate in certain programs if it isn't going to directly impact their business.

We've changed how we go to market by including the marketing and media executives at the beginning of the conversation because these are the end-users of most of our products and services. We've also done a better job of articulating the model and measurements for success that are most relevant to them.

What's different in your approach for reaching marketing and media executives?

I came from the advertising world where ideally a bond forms when you win new business. That agency becomes an extension of that brand. While we can't expect to have the exact same relationship as their agency, we do try to create a relationship based on trust. We endeavor to collaborate with the brand's agency, and the marketing and media executives at the company very early in the process. It is an inclusionary process. We're not looking to compete with or replace a client's agency. In reality, if we bring additional funds to the table through our trading model, the agency gets to execute more of their innovative ideas, which further solidifies their client relationship.

In terms of Active's global footprint, have you been able to create a consistent, seamless messaging platform or is there a need to develop different approaches for each of the individual markets?

As we've grown, we've become more aware of the value of an international brand and a consistent experience by those who work with us. We also recognized the need for flexibility in the local markets. So we have developed an umbrella strategy that every market around the world can easily fit under while translating the business model specifically for the needs of the individual markets. Active intends to bring value to every trade and every relationship. ●



Alan Brown

As President of Global Media/Strategic Development, Alan Brown's 30 years in corporate trade have seen him develop trading models and products that have become industry standards.

Does the market understand how large this business is and your leadership in the media space?

Yes and no, because it depends on which side of the community you're facing. We're interacting with broadcasters and publishers every day and we're constantly placing media, which is the end result of our investment and trade activities. We're the number-one brand as it relates to what we do so they're aware of our size and scale.

As you get into the client and agency world, agencies are much more aware of us than they were before because of the number of companies we touch. As far as the advertisers, they're probably less aware of it; I'm not sure our branding has penetrated that community. So they may be caught pleasantly surprised when they meet with us and hear about the depth and breadth of our organization.

How much of a shift do you see towards digital and how has technology affected what you do?

The digital space is probably our single biggest growth area from a percentage perspective year to year. Every traditional media company has a digital extension of their brand. Advertisers tend to align their products with a particular brand irrespective of the device or medium message delivered by that brand. That has been a dramatic change over the years.

At the same time, efficiency is equally important to companies and that focus on efficiency has resulted in more interest in the online space based on its' inherent immediacy and measurability.

For us, technology is also important because as it continually develops, it creates a need for increased access to finances. That's an opportunity for us to invest and trade with media companies and advertisers who are looking to bring on more research and technology. In exchange, we acquire their assets that can be utilized for all of our clients and partners.

How do you engage prospective clients?

We first try to get in front of people to better understand their business. The creativity and flexibility of our product then lets us customize solutions and value around that point of view.

Where companies are pleasantly surprised is that the value proposition has grown from a simple barter model where we would say to a company, corporate trade can restore value to undervalued assets to a model where there is value in our services that enhances above and below the line marketing efforts. Inclusive of restoration of value to an asset, we can help forge relationships between our clients and the travel, retail, and media communities.

We have also changed the structure within our own organization so that the value proposition is out front and the solutions that we can create are explored in a holistic manner with a prospect.

Is there significant opportunity for the business in some of those new markets overseas or is the main focus still the U.S. market?

We're in 16 countries now, and in most of those offices, we have boots on the ground developing the media relationships and placing media. We're tapping into the global resources as far as the remarketing of underperforming assets. The partnerships we've created internationally give us the capability to issue the credits in one part of the world and sell the merchandise in another, and retire the credits in another. So that business is growing. ●