

A Knowledge-Based Company

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

EDITORS' NOTE Alan Elkin co-founded Active International with Arthur Wagner more than 30 years ago. In recognition of Active's entrepreneurial global accomplishments, he was 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. 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.



Alan S. Elkin

COMPANY BRIEF Active International (activeinternational.com) consults with the Fortune 1000 on ways to optimize their enterprise assets, typically excess and underperforming inventory, real estate, and capital equipment. As the global leader in corporate trade, Active has successfully helped many of the world's leading brands recover value, reduce costs, and increase market share. Providing a dynamic financial tool, Active has helped its clients improve their business performance, delivering \$1.5 billion in economic benefit since 1984. Active International is based in New York and has offices in 14 countries.

Why is the entrepreneurial culture so important for Active and how do you manage to maintain it at your size?

A lot has to do with our hiring process. We bring in people who have an entrepreneurial spirit and intellectually curious minds. They want to ask questions, they want to find out how things are done, and they want to make improvements.

We train extensively and then we train some more. We see ourselves as a knowledge-based company, with our people at the forefront of developing solutions for our clients. Having an entrepreneurial spirit is a key driver of innovation so we value that in our employees and in our culture.

In terms of attracting talent, is personality and culture fit more important than actual business knowledge?

We don't expect to find anyone who understands corporate trade. It really is about personality, mindset, and approach. We want people with passion and curiosity: Does he have a curious mind? Is she able to walk in areas she's never walked in before? What has he done in his previous life that can indicate he is up to a challenge? Is she comfortable with

ambiguity?

Is the concept of corporate trade well understood and broadly accepted?

We began this business in 1984 as a true start-up. At the time, we believed there was a need for an alternative to liquidation; one that would enable companies to get more value from the assets they had in their warehouses or retail stores. Today, we have restored millions of dollars in value to our clients and placed more than \$1.7 billion in media on their behalf. However, while the trading model is more broadly accepted than ever before, we continue to educate, just like we've been doing for the past 30 years. We recently launched a new advertising campaign, "We Made the Trade," which underscores our distinction in the marketplace – our proprietary trading model. Our aim is to clearly define how we approach corporate barter versus those that simply use aggregation and discounting as a means to purchase media at a lower rate. Having brought credibility to the industry by trading and retiring trade credits, I'm concerned that brands and media companies confuse aggregation and discounting with a true trading model like ours. This distinction is critical if a client or trading partner is to receive the value that has been promised. Our focus has been, and remains, to deliver value with every trade.

For a service that impacts the bottom line, how high up within a firm do you need to develop the right relationships?

Where it starts is less important than where it ends up. If you're too high, the strategic value is clear but it's going to be difficult to get into the tactics. If you're too low, it's going to be difficult to get into the strategic issues.

So you have to connect with various levels within the entire company and provide all stakeholders with a clear understanding of the benefits of corporate trade.

Do we need to look at unemployment differently going forward? How challenging is it long term to find that next generation to fill the open jobs?

It's a complicated question. On the policy side, coming from Washington, D.C., it is more difficult today in terms of the rules, regulations, and procedures that make it challenging for companies to hire.

On the other side of that complex question is the need for employees with different technical skills, which allow them to work with and be trained on unfamiliar software, as well as do business in a more complex environment.

At Active, we're looking at how technology can make us a more efficient company. This doesn't mean that we'll have less people; it means people will have different types of jobs. So it's a learning process. We spend huge amounts of money on training and re-educating our people, and developing a more skilled workforce within Active.

It also relates to the kind of people we hire. We go after those with the right skills, from seasoned executives to college-educated youngsters. We hire from right out of high school as well.

Is it possible to train people to have entrepreneurial skills or does one have to be born with them?

I don't believe that entrepreneurship can be taught. A lot of people say it can be, but if you don't have that curious mind, drive and resiliency, you're not going to be an entrepreneurial leader.

At the same time, you need to have that DNA. Not everybody has it. Entrepreneurs see things differently; they see the near future with some clarity and, because of that, their risk-taking feels less risky to them than to others.

You started this company 30 years ago. Did you know it would work?

Every time you delve into the valley of doubt, you have to believe in yourself and your ability to bounce back when necessary. We all get there one way or another. It's really about how long it takes you to do so. ●