

# A Pioneer in Corporate Trade

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](http://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.

**As a pioneer in corporate trade, what did you observe in the market that made you feel there was an opportunity for this business, and has the industry evolved as you expected?**

Thirty years ago, while researching the market for corporate trade, my partner, Arthur Wagner, and I identified a weakness that existed, which was the lack of real value brought to the majority of corporate trade transactions. The transaction's success is based on the ability to retire trade credits and we saw that many companies were unable to effectively use their trade credits for services that they regularly paid cash for.

So we created a business built on a trading infrastructure that allowed us to bring value to our clients through the retirement of trade credits. This distinguished us from the other corporate trading

companies, who were handling what was called barter at the time.

**Is "barter" a word that is even relevant today or has it transitioned into corporate trade?**

There is an underlying similarity in that there's an exchange happening, but pure barter has limitations. It's literally exchanging one thing for another, regardless of the value of the items. Corporate trade creates value and is really limitless. Having said that, the general marketplace sometimes refers to corporate trade as barter or corporate barter. The business

has actually become quite sophisticated since we entered the marketplace in 1984. By investing and trading with service providers such as media companies, hotel management companies, and freight and logistics providers, we've created a marketplace where both the service providers and the brands receive a financial benefit.

**What kind of competition are you seeing?**

There are companies that handle pieces of what we do, but we're the only corporate trading company with a global footprint. This has become a huge differentiator for us because we can issue a trade credit anywhere in the world, acquire assets around the world, sell the assets anywhere around the world, and then retire trade credits for services around the world. No other corporate trade company is doing this to the degree that we are.

**Is this business considered more innovative or disruptive?**

We view our business as innovative. Corporate trade is much more mainstream than it used to be. We are seeing a significant rise in the number of RFPs we are invited to participate in. I wouldn't say that every company uses corporate trade regularly, but I think they should simply because, with procurement becoming so significant to many organizations, the drive for efficiency is paramount and corporate trade is an efficiency solution. As companies endeavor to remain competitive, they will need new resources and innovative options. Corporate trade can provide some of those options.

**Would you talk about the expansion overseas and the opportunities for Active internationally?**

What we do internationally mirrors what we do in the U.S. We created a global company, not just a domestic division and an international

one. We are able to move people to any office; we collaborate with all of our offices on behalf of the client to create a value proposition on a global basis.

We have many U.S. clients that are multinational companies. Our model is the same around the world, so we can work with them wherever they prefer.

**You put a major focus on emerging markets as well. When you're considering markets for new business, is it necessary to lay the groundwork on which to build future business?**

Every market has its own personality and character.

China, for example, is an emerging market. There are 1.3 billion people there, 300 million of which are considered middle class. That market has become the second-largest economy in the world, so we want to be there.

In terms of the South American markets, Brazil is the seventh largest industrial market in the world, but it's still emerging.

**Is it important for you to have offices in these countries?**

We find it particularly important for us to have offices in each market. While the core model is the same as in the U.S., local business needs to operate locally. Relationships with services providers need to be developed locally. We want to create long-term relationships so that our clients know they can depend on us no matter where we work with them. We can only do that when we have an established presence.

**What are your beliefs regarding a corporation's responsibility to its communities and what makes this so important at Active?**

I've always believed that corporations, as well as people, should give back. But it's not only about money. It's also about giving time and intellect. It's important to develop something sustainable.

I encourage our people to take time to work with a charity that means something to them. Not only have we provided donations and other resources to more than 600 charities, but we've created programs for employees to volunteer on company time. One month it might be to clean up a local park, the next month it could be to pack back-to-school supplies or provide holiday gifts to kids in need. It's very rewarding and personally speaking, I always feel engaged and energized. We've implemented similar programs in our offices around the world and I know our people feel the same way. ●