



Hector Rodriguez

EDITORS' NOTE *Hector Rodriguez brings more than 30 years of supply chain experience to Active. Prior to joining the company in 2007, he was CEO of Lumec Transportation Services. Before this, he managed supply chain and logistics for Kingsford Products, a division of Clorox Worldwide. Previously, he managed supply chain for Perrigo Company and Colgate Palmolive.*

COMPANY BRIEF *As the global leader in corporate trade, Active International consults with Fortune 1000 companies on ways to leverage their enterprise assets, typically excess consumer packaged goods, real estate and capital equipment, to purchase pre-budgeted expenses like media, retail marketing, events & hospitality, freight & logistics, and LED lighting. Providing a dynamic financial tool and creative marketing solutions, 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 15 countries. Active Freight & Logistics (AFL) is a subsidiary of Active International (activeinternational.com).*

What are your clients' biggest business challenges right now?

Our clients are currently facing two large challenges. First, the increase in e-commerce and mobile sales has broadened the scope of sales channels, which has given rise to customers who want their favorite products faster than ever before. Many clients have yet to fully adapt to this new dynamic, but I estimate that most have begun to modify their supply chain and business administration practices to accommodate these new expectations.

Second, clients are continuously looking to mitigate supply chain forecasting errors and disruptions that result in excess inventory. Clients managing the transportation of inventory are no strangers to the bullwhip effect, when a small forecasting mistake in the early stages of the chain compounds into a huge impact later

A Supply Chain and Logistics Company on the Move

An Interview with
Hector Rodriguez, President-Active Freight & Logistics

down the line. It is our job to help minimize the impact of those issues.

How are your clients using Active Freight & Logistic's (AFL) trading programs to address these issues?

Our clients look to us to develop and execute tailored, solutions-oriented programs that address specific disruptions to their supply chain or inventory levels. As part of an international organization, we have a global platform combined with systemic intelligence that helps us to proactively identify and mitigate risks. When we saw last winter's West Coast port issues coming months in advance, we immediately began working with clients to modify supply chain management plans and reduce unnecessary risk or disruption. Or, if we're seeing a shortage of domestic drivers that could impact a client's Just-In-Time model, we can offer alternatives to ensure the client's inventory gets from point A to point B in the most cost- and time-efficient way possible.

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If a client already has a supply chain or inventory issue, we are able to develop programs using corporate trade that limit or eliminate negative financial impact. With corporate trade, clients can use excess inventory with a combination of cash to shorten their cash-to-cash

cycle and offset supply chain, media, and other business expenses. This means that we can help our clients retain or restore value to inventory that would otherwise be lost, and we can also reduce their cash outlay for the business expenses they regularly purchase. We are able to do this regardless of what's happening in the marketplace – whether it's due to a slow economy, industry strikes, or simply an excess due to lack of demand.

What are the firm's growth aspirations, and how do you plan to accomplish them?

We are eager to build upon and strengthen AFL's offerings. We intend to accomplish this through strategic acquisitions that will enable us to expand the breadth and depth of our services, and scale our business globally. Currently, we're looking to broaden our airfreighting capabilities and distribution networks in China and South America.

We are also looking at various financing and technology enhancements. We're considering new early payment programs for our middle-market clients to help them increase cash flow and give them a competitive edge. We are also boosting our technology and data resources to be able to run different supply chain scenarios for our clients' CFOs and brand managers to determine how to best optimize their supply chain.

Has AFL maintained its entrepreneurial approach? If so, how and why is this important?

Without question, AFL's innovative spirit continues to fuel our growth and our clients' success. Ten years ago, we were focused on how to internally develop AFL's services. As of 2015, we are C-TPAT certified, and we are now talking about acquisitions as a way to expand and diversify our capabilities. That's a big change.

One key way that AFL fosters this entrepreneurial spirit is by empowering everyone on the team. For example, AFL coordinators each have a set of clients, and they are fully responsible for managing and maintaining client engagement from start to finish. This gives them the flexibility to develop new solutions that can lower expenses and shorten the cash-to-cash cycle on a client-by-client basis. By encouraging them to think outside of the box, our coordinators are creating the next generation of networks that facilitate various channels of distribution and providing the highest level of service. ●