

A Solution-Driven Company

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

EDITORS' NOTE Alan Elkin co-founded Active International in 1984. Elkin began his career at Kaiser Broadcasting which, under his direction as Senior Vice President of Sales, later became Field Communications and then a subsidiary of Katz Media Group. He has received the Entrepreneur Of The Year Award by Ernst & Young and the British American Business Inc. Award in recognition of Active's global accomplishments. Additionally, he received the 2019



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Lifetime Achievement Award at the Broadcasting and Cable Hall of Fame annual gala. Elkin believes that community involvement is as important as business leadership and through the company's Active Cares program, contributions have been made to over 600 charities since 1997.

COMPANY BRIEF Nearly four decades ago, Active International (activeinternational.com) disrupted the marketplace by developing an innovative, market leading, client-centric approach to corporate trade. The development of best-in-class solutions has led Active to evolve into a commercial innovation company. Active's purpose is to transform data into insights, strategy into action, and vision into value. With the entrepreneurial spirit of a startup, and the capabilities of a global corporation, Active continues to redefine what's possible and turn possibilities into positive business outcomes. Active drives performance through industry expertise, its

Corporate Trade Model and portfolio of companies with a core competency in media, to create and deliver value for leading brands throughout their business life cycles. With a global team comprised of business innovators, industry leaders, media mavens and finance experts, Active is dedicated to delivering new levels of financial flexibility and custom solutions. An employee-owned company, Active's client success comes first, as well as the betterment of its people and the communities in which they live.

Will you discuss the evolution of Active and how you define Active's business today?

The evolution of Active has come to a solution-driven company. A company that's innovative and sees things that are on the horizon and is able to capitalize on what's going to happen in the future. We still have our basic business, which is corporate trade. We still have media, but the media that we have now has advanced to be many things. It's linear media. It's Exact TV. It's also magazines, out of home, and digital media. We have the complete landscape of every possibility that a client would ask for in regards to media. On top of that, we have license, data, and C3 metrics, which transcends both linear and digital media, and one of the major components is the attribution using first party data, as well as all other insights. We're no longer that same company that we created 36 years ago. We have evolved.

With that evolution, how critical has it been to attract the skills and talent required for the company?

The talent and skill set of Active today is to find people that understand digital media, understand linear media, and have a curious mind of how to best present this to our clients. Our clients are beginning to understand digital media and we need people that have the skills to educate, communicate, and collaborate with the client. It's a whole different world. Our selling is not direct selling. It's consultative selling. It is asking the client what their needs are and then producing for them through either a restructuring of the balance sheet or the exercise of purchasing media and getting outcomes. Today it's more about the outcome.

How broad is the target market for Active's service offerings?

It is a huge market. Linear media is a large place to perform and as this evolves and becomes more structured, it becomes even larger. In regard to digital media, nobody knows the boundaries and what's going to happen with 5G as it relates to digital media. This is why you have to attract talent that has a curious mind and can put it all together, not on a linear basis, but on an evolution basis.

How have you been able to maintain an entrepreneurial culture that is agile and nimble at the size and scale of Active today?

You have to work at it. It is not an easy thing to do, but we've been fortunate. We have maintained our entrepreneurial spirit. We have educated our people in terms of trading. We're

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very agile inside, and we know as we get larger, there is a risk to lose that edge. It is like in a Rocky movie – the eye of the tiger. You never want to lose that eye of the tiger.

Are Active's product offerings and solutions well understood in the market?

In any conceptual sale, there's always an education process, and that education and understanding is important. During the process of educating, you need to create trust in the relationship. There are so many underperforming assets in the marketplace and there is a need to find alternative ways of disposing of these assets. We have developed, and have sustained for 36 years, the ability to acquire an underperforming asset and issue a trade credit at a wholesale price. If a company could do that and perform, why would you want to liquidate your inventory at twenty cents on the dollar if there's a company that you know you trust that would acquire it and send you one hundred percent of the wholesale or book value? That's a powerful statement.

Is this an offering that is more effective during challenging economic times or does it apply to strong economic times as well?

It is valuable for all economic times. Let's discuss when there is four percent GDP growth and strong employment in the U.S. Active functions well in that environment because the U.S. is part of a global economy. It's a global consumption economy. Retailers need to always refresh their inventory. Customers are always style conscious. A perfume may be an excellent perfume, but after a while people change their tastes and want something different.

Style, for example, is a big opportunity for a company like Active. There are so many different colors and different styles that go in and out very quickly. There's so much repackaging, and then there's the global competitiveness where another company will come in and place their goods that are very similar to your own goods, but at a lower price. This happens all the time. So in a great economy, there's a need for Active.

In a slow economy, there's a backup of inventory and backup of real estate. There's less needed, and what's required is a company that's able to serve the client in an alternative matter. That is what we do.

Active has a global footprint. Are the solutions consistent around the world or are they tailored for each market?

That's a great question. The answer is that it's both. The reason why it's both is that every market has its own characteristics. Every market has its own personality, but the concept of corporate trade is still the same concept, even though it may be applied in different manners in different countries. Active has to be culturally astute to understand what those characteristics are, what the law in the country is, and that each sovereign country has its own point of view.

We always hire managers and executives from the country where we are operating. They know better than any outsider what the country requires. We teach the executive who is going to run that business so that he or she is able to apply Active's mechanics and techniques to that specific marketplace, but they know the local culture and market better than we do.

You are an entrepreneur who also enjoys running the business day-to-day. Do you enjoy creating and building a business as well as operating and running the business?

I happen to be somewhat unique. I'm the kind of guy that rolls up his sleeves and gets into the nitty gritty. I also, because I roll up my sleeves, see more from a visionary point of view. I see more of the application than another individual might see. I'm the kind of guy that stays with the operational side, because I enjoy the people, I enjoy the creativity, and I enjoy the execution. I don't think that they're exclusive. I think they're interrelated. I get my kicks in both places.

Do you feel that entrepreneurship can be taught or is it an ability that someone is born with?

I don't think you can teach entrepreneurship. Having said that, you can support it. You can educate on the need, but you have to have that fire in the belly and be able to accept failure. Everything that we do cannot be perfect. An entrepreneur has to take risk, but the entrepreneur has to take risk in today's marketplace in a much more educated manner. You can't shoot from the hip. You have to be able to make the decision and take the risk and understand that you may fail. By the way, the stigma on failure has been changing. There will always be failures, and people need to learn from those failures and then go back and try again. That is the sign of an entrepreneur. ●

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