

## **To Barter or not to Barter**

### *The Key to Fair Exchange in Business*

*by Wendy Buckingham*

To barter or not to barter? Good question! And one that can come up regularly when you are just starting out in business and cash flow is tight. Exchanging goods and services often seems the perfect solution to overcome a tight budget and get what you need or want without actually paying for it in hard cash.

#### **But does barter work?**

With goods it's fairly straightforward, there is a tangible exchange of goods at an agreed value. But when it comes to exchanging your goods or business service for another service, such as marketing, PR, graphic design, massage and so on, there are lots of traps and pitfalls to be aware of.

I was once offered a beautiful crystal in exchange for a coaching session. I love crystals, but unfortunately they don't pay the rent, so the exchange was not what I needed as a fair barter at the time.

These tips and questions will help you decide whether or not the barter option is one to consider.

#### **Would you do business with this person anyway?**

Is the personal offering the exchange someone you would consider buying good from or going to for a service if it were not a barter? If not, you may be dissatisfied with your end of the exchange and end up going somewhere else where you have to pay for it anyway.

#### **Is the exchange equal?**

Make sure the time/\$ value of the service being exchanged pretty equal, or will one of you end up putting in far more time and effort than the other. Unless discussed up front this can lead to resentment.

#### **Do they really want what you are offering?**

When you are offering a service as a barter, make sure the person really wants that service, understands what it is and what commitment may be required of them to take it up. If they are half-hearted, it may not work and you and they will end up feeling frustrated and cheated.

#### **Be clear about what the barter does and does not include.**

For instance there may be time and materials involved. Is the barter time only, or does it cover all expenses.

### **Have a firm agreement around your exchange**

Include a dollar value and time limit for each of you to honour the exchange. This is essential if the barter is not simultaneous and your goods or service is being provided first!