

Telling It Like It Is

(Five Simple Words)

Recently in barter, it seems that "fly-by-night" is a daily occurrence, and starting a barter exchange takes little more than a gift for gab and some artistic license for telling the truth.

After several years of dedication and caring for the value of our BNL dollar, we have won over the trust and loyalty of some 2500+ members of Barter Network, helping to provide them over \$50 million in trade per year. Yet, we hear so often about exchange openings having *several thousand* members trading *millions* of dollars in goods and services...

What are we doing wrong? ...nothing
We simply won't bend, twist, cajole or brush off the truth - we don't lie.

We are Canada's largest barter exchange and we are "*your trading partner!*" That's not just our tag line, it's our code of ethics - we stand by our members when we *promote* them, we *care* about each and every trade, we take the time to *educate* and *advise* members about all of barter's pluses and minuses... Unlike the fly-by-night's, we won't tell you it's something it isn't.

Your Trading Partner

Successful partnerships are measured in *time* as well as profit and we have members who have actively traded since our opening. They've "bought in" to our three mottos:

1. **scruples over sales,**
2. **quality over quantity and**
3. **under promise over deliver**

These 3 concepts represent the cornerstone of Barter Network Ltd., today.

As with any *partnership*, you are always looking for strengths to compliment your weaknesses. The barter exchange you partner with is no different. Remember this fact when you sign on - your hard-earned trade dollars will soon be sitting in an account with *them*, for you to spend –

- Can you really spend in their economy?
- Have you thought about *how* you will spend your trade?
- Remember that the company you will *buy* from wants to spend too, so...
Your purchase will depend on *their* liquidity –
don't just ask if there are *XYZ Companies* on board...
call them **all** and find out about *their* ability to spend, too.

**Finally, talking about the strength of your partnership:
Would you hire a telemarketing company with 2 phone operators, or 15?**

Personal communication is what a lot of *barter* is all about, servicing your needs by **getting your message out there**. Not just what you've got, but what you want, too. We're the largest exchange because we *continually* invest back into our infrastructure - **our people**.

A Secure, Vibrant Brokerage

As your trading partner, we have to tell you, you simply can't support your broker team without *cash* - the revenues derived from the fees paid on each barter transaction. We are *proud* to have one of the lowest broker/member ratios in the entire industry - now at 1 broker for every 120 members. As a financially secure brokerage, we can hire the broker pool to quickly broadcast your wants and offers to the BNL community by fax, email AND voice. And after many years in the industry, we know that the personal touch of voice is what *really* works.

Figures Never Lie

In examining some of the other trade exchange announcements out there, they would need over 20 brokers and millions in cash fees to support their claims of sustaining a secure, thriving economy. Think about it:

Do you *really* want an exchange that charges no trading fees, no initial set up fees and gives unlimited lines of credit?

Would you trust *any* recognized Canadian bank or financial institution that couldn't afford the staff needed to answer your calls?

Liars Never Figure

Barter is a *currency* which companies use to trade their goods and services, the value of this currency depends on the stability and *quality* of all the member companies as well as its liquidity in that marketplace.

If it sounds too good to be true...

By promising the moon these brokerages scavenge through *solid* local exchanges, looking for the "low hanging fruit". They seek out any business who already understands barter. They won't waste their time educating a fresh business - it's much easier to sell fiction - besides, they don't have the manpower to teach barter and back up their claims. With their new recruits, the numbers are *padded*, they don't care that they can't spend their trade after their first few sales, that's not their problem - padding the exchange (with anyone and everyone) is more important than actually servicing its member-base. Not only do we not poach from other exchanges, we adamantly want to convey that BNL does not sell or share information with anyone that is NOT a BNL member - that simple.

Ask yourself this:

If they're such a great brokerage, why recruit from *other* exchanges?

But what these brokerages don't realize is that "padding" does nothing more than dilute their own dollar. Of course, their real concern is cash; however,

**they're damaging the reputation of the barter industry as a whole
- our reason for writing this note in the first place.**

Often we're told of an exchange acquiring goods on barter and quickly re-selling those goods for cash at a deep discount. Let's face it, they never *really* cared about the value of their dollar anyway, so selling a member's wares at 50 percent off retail (or even wholesale) would be the same as money for nothing. These unscrupulous brokerages don't figure on the harm they're doing to the barter industry; their own marketplace or you and your company.

They don't figure because they don't care.

Five Simple Questions for Five Simple Words

As a new member company, you will be looking for new sales - selling thousands of dollars worth of your product or service. Just keep in mind that...

All your hard work is worthless if you can't *spend* your trade dollars.

We inform all our prospect members:

"Barter is the opposite of the cash world - earning trade will be far easier than spending it."

What has your prospect exchange told you?

All we ask is that you consider these 5 simple questions when deciding to join any barter exchange:
(yes, even *ours*)

- 1) Because barter exchanges operate as *merchant banks*, you must make sure that you are dealing with a credible institution, the same way you would a regular bank or lending house. Make sure their dollar is *stable* and that all the members they say they have, are *really* their members.
- 2) From the *full directory* of members that the barter company produces, privately choose a *minimum* of 5 that your company would use or are in your industry. Call a minimum of 5 members for a reference and see what their experience has been like.
- 3) If you decide to join the barter exchange, make sure that you have spending lined up BEFORE you sell your product. This spending should be confirmed by you, with the seller *directly* – do not base this decision on the word on the barter exchange. (We cannot stress this enough, so many members are told of product availability before the company selling the product was even approached to join. Then the exchange approaches the company, telling them of this “*fantastic*” buyer waiting for their product - you!)
- 4) If you get a call from another trade company, find out how they found your name and why they are calling you now.
- 5) If they claim to have a member ready to buy from you, find out – from the member – if they are on the exchange and how long they've been there. Remember, the value of the barter dollar is based on high liquidity and high demand. In this case, the exchange is creating a false demand with equally false urgency... this ALWAYS leads to a weak trade dollar and a worthless barter account!

We all thrive on good competition – yes, we even *look forward* to it. A few solid exchanges out their help build the industry and strengthen their currencies. However, the unscrupulous brokerages tear down the reputation that barter has built over the years; they ruin the value of your hard work and they even demerit the value of the currency of your home exchange by tempting its membership with what we *jokingly* refer to as “free trade”. When you sit down and think about it, nobody wins in the long run – only those exchange owners. All they have to do is close up shop and open again, the next day. Essentially, you've converted the currency you had in your old exchange to that of the new one – now worthless. Of course, you'll look twice before you leap next time, but why not just ask a few questions, today?

We will never “name names” or dissuade your decisions, but we'll be happy to discuss what you should be looking for. We're always here to help, we're Barter Network Ltd. and we're *your trading partner*.

Sincerely,

The Staff at Barter Network Ltd.

1-866-DO-BARTER

www.barternetwork.ca