



Save Your Cash, Spend Your Trade

Here are some helpful tips for successful bartering:

1. Be Fair – never inflate your prices
2. Be Smart – don't barter with someone who is inflating their prices on you
3. Research – know what the fair "retail value" of the trade *should be* before agreeing to the trade amount
4. Trade "dollar for dollar" not time for time. I.e. if you are an attorney charging \$300 per hour, and you trade with a CPA who charges \$150 per hour, don't trade one hour for one hour. The attorney will trade one hour of legal counsel for the CPA's two hours of tax preparation.
5. Needs Only – don't barter for stuff you don't need. That's a waste of money
6. Keep barter legal – Report your transactions (sales and expense) and pay your taxes on the barter that are for non-business related
7. Record every transaction on your books. Honesty will prevail. Don't risk losing during an IRS audit
8. Treat "barter clients" the same as you would a "cash client" your reputation is at stake
9. Treat the transaction like a cash transaction. Sign contracts, draft formal bid proposals, don't just "shake on it".
10. Ask your barter clients to post online reviews and testimonials. They are easier to please (because they didn't shell out cash) and your reviews will generate "cash" clients
11. Spend at the same pace you trade – don't get upside down in the barter relationships; you risk losing money if they default.
12. Collect appropriate fees or tax on barter transactions in "cash". If you trade (sell) a \$500 computer on barter and you owe sales tax, let the trader pay you the tax in "cash", (i.e. cash, check, or credit card). The rest is trade.
13. Join a trade association to expand your barter options
14. Pass it on – give my book "Barternomics" by Debbie Sardone to someone you want to barter with. It's hard to convince people they should barter until they understand the benefits to *them*.
15. Ask your barter clients for "cash" referrals (remember, the word "cash" in barter lingo is simply monetary)
16. Refer your successful barter clients to non-barter (cash) prospects. If you help them, they will keep bartering with you.
17. Think "barter". Before writing a check for any services or goods, ask yourself "who do I know that might want to barter for this" and then go ask them!
18. Know your "cost of goods sold" before bartering, to make sure barter is a good fit.
19. Do your "do diligence" before you barter with an unknown vendor. If their work is shoddy, you may have saved nothing paying on barter.
20. Don't be afraid to say "no" to any barter that isn't what you need.
21. Don't turn a "cash" customer into a barter. You need their cash. Barter with non-customers, or for "extras" that the customer never buys from you.
22. Every barter is viewed the same as a "cash" sale by the IRS
23. Try new goods / services using barter, you may be surprised at what you get.
24. Think out of the box. Always keep your eyes open for the next barter connection.
25. Remember: **Barter is a guaranteed sale!**



Barternomics

By: Debbie Sardone

Short Description of the Presentation:

One of the best kept secrets in today's world of small business is bartering. Yes, bartering has been around for thousands of years, however, only recently has it come to the forefront in terms of business owners. This program covers the how, when, where and why of "business" bartering.

- **What Is Barternomics?**
- **Why Barter?**
 1. Save money
 2. Preserve cash
 3. Win a new customer
 4. Fill slow days
 5. Obtain needed products and service you might otherwise not be able to afford.
- **What Can Be Bartered?**
- **Who To Barter With?**
- **Examples Of Bartered Items**
- **How The Government Views Bartering**
- **ROI (Return on investment) Of Bartering**
- **Direct Benefits Of Bartering**
 1. Obtaining new customers
 2. Helps preserve cash
 3. Referrals
 4. Training of new staff
 5. Moving surplus inventory
 6. Testimonials
 7. Great to fund needed startup expenses (leases, alarm services, website development, marketing, etc.)
- **Bartering Tips**
- **Barter Associations and how they work**