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## Barter system offers business owners options during tough times

Phoenix Business Journal - by [Lynn Ducey](#)

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Entrepreneurs are putting their creative juices to work in this challenging economy and reinvigorating an ancient form of trade.

Just as communities such as Pittsboro, N.C., have begun issuing their own local currency (the “plenty”), Valley businesses are using their skills and services to trade for things they



Jim Poulin/Phoenix Business Journal

Arizona Trade Exchange President Rob Miller got his company's new Mesa office painted using trade credits. Behind him, Mario Vargas of Work of Art Painting finishes the baseboards.

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need.

Arizona Small Business Association CEO Donna Davis said bartering can be beneficial to all kinds of businesses.

“Cash flow is everything right now,” she said. “Small business should look at it, especially during these challenging times.”

Rob Miller was a restaurant owner when he discovered the value of bartering in the late 1990s.

“Everything that I had been paying cash for, like painting and cleaning and maintenance, I was trading for chicken wings and cheeseburgers,” he said.

He founded the [Arizona Trade Exchange](#) in Mesa 10 years ago and serves as its president. Today, more than 500 members are trading goods and services.

Miller's organization uses “trade credits” that are accepted by all of its member-vendors. The credits are accumulated on a dollar-for-dollar basis and used as needed.

Sometimes, one party in a privately negotiated trade might feel shortchanged, but this dollar-for-dollar exchange system puts the parties on equal footing, Miller said.

“At first, I didn't really grasp the concept. But after I got on board, I loved it,” said Marc Vanderwalker, president and founder of [Elements of Home Flooring and Interiors](#).

A five-year member, Vanderwalker said the trade exchange preserves his cash flow and gives his Mesa company choices.

“This is a group of business owners who want to build their reputations. I am not doing business with some random person, and the people who come to me are hot, legitimate leads,” Vanderwalker said. “My whole thinking right now is to keep lean and control my expenses. I have used my credits to do advertising, and this week I got a new windshield in my truck. That’s \$500 cash still in my pocket.”

While there are no reliable data about the bartering and trade industry, groups across the country are sprouting up, touting its possibilities in a cash-strapped economy. Some groups use credits, while others issue their own currency — for example, the plenty, which is being used by some in North Carolina, encourages consumers to support local businesses in the town of Pittsboro and surrounding areas.

“Its aim is to give consumers more purchasing power and create loyalty among local business,” said Melissa Frey, executive director of the Plenty Currency Co-Operative.

Frey is working with local businesses and organizations in central North Carolina to relaunch the currency, which originally was issued in 2002. The reintroduction of the plenty is scheduled for May 12, and response to the program has been strong so far.

“The whole point is to keep our local economy and our local business strong, especially during these times,” she said. “These bills are going to be available at a local bank or at partnering businesses, if consumers ask for the plenty as change.”

Al Levon, founder and owner of Phoenix-based **Work of Art Painting**, isn’t familiar with the plenty. But, as a member of the Arizona Trade Exchange, he said using trade affords business owners a lot of opportunities.

Levon’s business provided painting services in trade to Miller’s company when it moved into a larger facility in east Mesa. Levon said it’s critical that entrepreneurs continue to manage their portfolio of business and clients.

“This really works out terrifically, but business owners can’t depend on this for all of their business,” Levon said. “You have to consider the trade-to-cash mix. Trade is a great addition to a healthy company.”