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### Businesses cash in with barter exchange

Using exchange credits instead of money, a Chandler businessman bought business cards, signs and banners - and tapped into more customers.

**CHANDLER**

**Bartering network helps bring in customers, businessman says**

by Luci Scott - Jun. 3, 2009 12:05 PM  
The Arizona Republic

A Chandler businessman discovered a way to increase his pool of potential customers by at least hundreds of people in one simple way: joining the Arizona Trade Exchange, a company that promotes bartering.

With his wife, Arlene, Fred Gosielewski owns three Fast-Fix Jewelry and Watch Repair shops - in Chandler Fashion Center, Scottsdale Fashion Center in Glendale.

Being a part of the bartering network brings in customers, Gosielewski said.

"Everybody has a watch, jewelry or a ring that doesn't fit."

Here's the simple way the exchange works: One credit equals one dollar. An exchange member buys a watch battery from Fast-Fix for \$19.95, but instead of cash, the exchange transfers that credit from the watch owner's account to the Fast-Fix account.

When Gosielewski needs his floors waxed, or needs a phone or security system, he finds the service in the directory published by the exchange.

With credits, he has bought business cards, signs and banners, window cleaning and glass counter tops.

When he has leftover inventory, if he were selling it for cash, he'd have to discount it 30 percent to 50 percent.

Instead, he sells overstock at an exchange Christmas bazaar for credits at full value.

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10 comments

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"I'm maximizing my profits," he said.

Gosielewski figures he has used a quarter-million dollars in trade credit.

Products and services on the exchange include cruises, used cars, northern Arizona mountain cabins, limo rides, house cleaning, pool cleaning, pest extermination, floral arrangements, Suns tickets, home and auto glass, and chiropractic treatment.

Susan Engle, owner of A2Z Trophy in Gilbert, is a member.

"An accountant in the trade group, for example, can purchase engraved trophies for his son's soccer team with trade dollars," she said.

"If I go to a restaurant (and use credits), I'm not spending \$100 on a meal; I'm spending \$12 (in commission to the exchange) plus taxes and tips."

She uses credits to buy paper towels, toilet paper, invoice forms and her son's after-school karate program.

"The biggest benefit is it's not cash out of my pocket," she said.

"It's our labor in exchange for someone else's labor."

Aaron Ingersoll of [Scottsdale](#), who sells and leases new and used office furniture at the Corner Office in [Tempe](#), has used trade credit for lettering on trucks and employee uniforms.

"It works very well for us," said Ingersoll, who estimates he uses \$60,000 to \$100,000 in trade a year.

He is outfitting the new office of the exchange, which just moved into space more than twice the size of their previous site.

Rob Miller, president and majority owner of the Arizona Trade Exchange, started the network in 1999. He had owned a large sports bar in Tempe and joined a trade exchange.

"Things I had been paying cash for on a daily basis, all of a sudden I was trading chicken wings and cheeseburgers for," he recalled.

He started his own exchange. He has a staff of nine and is hiring more. The 550-member exchange is growing, getting a boost from the poor economy.

"People don't have as much expendable income," Miller said. "One of my trade members said, 'When the economy was good, I felt I could afford to trade. Now that the economy's bad, I feel I *have* to trade.' "

Miller just signed up Troon North, an upscale golf course.

"Their tee times are down," Miller said. "It's easy to say no to a \$300 round of golf, but on trade, people will still pay that money because they're not writing a check or credit card."

Miller has members in Surprise, Queen Creek and the cities between.

Trades for his members range from \$10,000 a year up to hundreds of thousands a year.

"An orthodontist would be trading for a \$5,500 set of braces," Miller said. "At 10 sets, he's a \$55,000-a-year trader."

The exchange had a trade volume last year of just under \$5 million, and this year Miller expects to hit \$7 million.

"The interest now is huge in comparison to six or eight months ago," he said.

Among the members are CPAs, hair stylists, painters, electricians, plumbers and general contractors.

"There are not too many things that we don't have," Miller said.

The exchange even did a trade for its own rent.

Miller's new landlord has a lot of vacant property, so Miller cut a deal in which four of the lease's five years are not cash but trade. The landlord can use the credits, for example, for dry-wall repair, painting or carpet cleaning, advertising or sending flowers to a new tenant.