

THE BARTER OPTION

Facilitators Guide

Aim: To help the participants making an assessment of the value of Bartering as an alternative to cash-based business.

Objectives : By the end of this session participants will have:-

- Understood the different type of markets that exists for Bartering.
- Reviewed the good practice and rules that exist in undertaking Bartering.
- Discussed the practical ideas about developing an Internet based bartering schemes.

Outline of Session & Suggested Timings (approx 1 hour)

1. Introduction - 5 mins
2. What is Bartering - 5 mins
3. Discussion of Bartering experiences - 10 mins
4. The Rules of Bartering - 15 mins
5. The Internet as Bartering Tool - 15 mins
6. *Questions & Feedback - 10 mins*

1. Introduction

- A) Welcome Everyone to the Group.
 B) Get people to Introduce them selves

Slide 1 – Introduction

For you to say - A market is where your best customers can be found and where you can grow sales of your products or services
 There are many markets to sell into, depending on the amount of goods or services you can supply and the quality and price you can provide.
 Market access is usually a slow progression, but entrepreneurs can take risks and move into bigger markets.

The Barter Option



Slide 2

Show Slide 2 – Introduction

For you to say –

Historically, bartering was especially useful after humans dropped their nomadic ways and settled down to farming and living in communities. A wheat farmer can't live on bread alone, but he can trade some of his surplus yield to a cattle rancher in exchange for some meat. Or, the farmer can sell wheat to a hungry worker who has the skills to build him a new plough

Trading goods without using money (Barter) has been around for many years



Slide 3

Look at the table on page 1 of the workbook – Discuss with participants the different types of experiences of bartering they have seen or know about.

Ask participants to complete the 2 Question table in the workbook.



Discuss your experiences and thoughts on bartering.



Slide 4

Look at page 2 of the Workbook Encourage participants to discuss these 'rules of bartering' and to propose anything else that they think might be added .

Bartering Rule 1: Only barter for business supplies or services that you really need or value. Make sure you truly value what you're getting in return and if you barter goods be sure you know what you will do with the exchanged goods, that you can use in full or sell to benefit you or your business A good example of bartering is a milling service for grain where the miller keeps part of a customers grain in return for milling it for the customer – so no money changes hands for the service provided. The miller then sells the portion of grain he keeps

Bartering Rule 2: Exchange equal value for equal value Since you are going to be giving up your business resources of goods, time, or production capacity, make sure you are receiving something of equal value in return. Work this out clearly and agree with your customer and you'll avoid any misunderstandings or resentment.



The Rules of Bartering



Bartering Rule 3: Keep careful records! Treat any bartering as part of your business and keep suitable records of what is exchanged and the value of the goods or services involved. If you receive goods like grain treat its value as sales income and if you use it for your family view it as income taken from the business

Bartering Rule 4: Treat your bartering customer the same as you would a paying customer. Do your best to help your customers if they have no money! Be open to bartering where this can help both the customer and your business. You'll build your business expertise and a good reputation. Even if the bartering person or company never becomes a paying customer of yours, they will speak well of you. Positive word of mouth is still one of the best marketing methods for building your business.

Bartering Rule 5: Be careful! Don't engage in so much bartering that you begin to change the nature of your business

Slide 5

Examine the possibilities of bartering goods via the Internet. Look at page 5 in the workbook and look at the websites.

How easy or what challenges would participants face in trying to barter goods via the Internet?

The Internet as A Barter Tool



A good website for more detailed information is:
<http://www.meansofexchange.com/types-of-exchange/bartering/>



Slide 6

Get a discussion going about how bartering can/does work in reality for the participants.

Discuss what you discovered about Bartering .



Show Slide 5 - Conclusion and Feedback

Consider what you have done – Have you met the AIMS of the course?

Open the group to ask questions and provide feedback
 Was the information useful and at the right level

Thank everybody for coming – Encourage the group to network and share contact numbers or emails (if appropriate) and to keep in touch.

