

CK TIP SHEET: Negotiating Barter Agreements



This sheet covers tips for negotiating trade agreements.

- Who to Target
- Desirable Barter Assets
- Valuing Your Assets

WHO TO TARGET

Negotiating barter agreements takes time and patience. To make the most out of the effort, you need to focus your energy on the right targets. Good barter targets have two important traits...

1. They have something of value to offer your association.
2. They value something that your organization has to offer.

Do your research. Once you've selected a hot-list of organizations to target, dig deeper into each organization to answer these questions...

- What is the organization's marketing goals?
- How can our association help them reach those goals?
- What marketing opportunities does the organization offer?
- Do we have similar or complimentary opportunities that make sense?

What types of organizations should you consider?

- Industry publications
- Related associations
- Local and regional associations
- Website portals
- Current and potential partners, sponsors and tradeshow exhibitors

DESIRABLE BARTER ASSETS

- Current membership, attendee or subscriber lists with addresses
- E-mail lists or ad space in e-mail newsletters published by the organization
- Web link to your website...a web banner or detailed listing is even better
- Print advertising space in magazines and newsletters
- Tradeshow booth
- Editorial coverage or space for an article from your association in magazines and newsletters

VALUING YOUR ASSETS

Consider these three basic techniques for negotiating trade agreements...

1. **Equal swap:** The easiest type of trade to negotiate—a name for a name, e-mail for an e-mail, ad for an ad, booth for a booth, web link for a web link.
2. **Value package:** Another option is for each party to create a custom package by selecting the options that are most valuable to them, and then negotiating based on the dollar value of the package.
3. **Value package with power position:** This is a very important option for associations. Start from a value package negotiation, but factor in the value of your association's peer network and protect that value during negotiations. This way, you stop talking dollar-for-dollar and start talking actual marketing potential and value.

Ultimately, the value of your trade comes down to the value you place on your association assets. Remember, as an association, you have a unique community-based value proposition that is becoming more and more important in the business world. You are in the power position...use it to your advantage.