

The
Truth
about
Trades

**7 questions
to ask before
you decide to
trade services.**

Welcome! It's only been a few years since I was in the start-up stage of my business so I know from experience how carefully I considered every expenditure. It was important to get a high value for each and every dollar spent. Trading services to save money came up early, due to the nature of my business. I'd be asked to design a logo, business card, website or other marketing option and in return, I'd receive the service from the other start-up business owner. Below I share what I learned from those experiences and the important questions you should ask to understand **The Truth about Trades.**



#1—WILL BOTH TRADE PARTNERS BENEFIT? DO BOTH NEED THE SERVICE OF THE OTHER?

It may be that only one trade partner needs the service of the other. For a trade to be successful, both partners need to benefit. If both partners cannot answer with a resounding “YES” to this question, it is an indication this is NOT a good trade.

#2—WHAT HAPPENS IF YOU DECIDE TO TRADE SERVICES, THEN ONE PARTNER SUDDENLY BECOMES TOO BUSY?

It is possible that one business will grow more rapidly than the other. **Discuss a process for canceling the trade, before work has begun.** This will ensure you preserve a positive relationship with a potential referral partner that can benefit your business for years to come.

#3—WHAT HAPPENS IF YOU DELIVER YOUR PART OF THE TRADE, BUT YOUR PARTNER IS NOT ABLE TO DELIVER WHAT WAS PROMISED TO YOU.?

This is the most distressing outcome of a trade. You've delivered your part of the trade and your partner is receiving a benefit from your work, but you have received nothing in return. **Discuss a value for the service provided by each partner and agree—preferably in writing—what each partner will pay the other if the trade for service is not fulfilled by both partners.** See questions 4 and 5 below for specifics on this issue.

#4—HOW DO YOU DETERMINE THE VALUE OF THE SERVICE EACH PARTNER PROVIDES?

This is an important question. Consider the scenario below:

The trade partners are a graphic design professional and a business attorney. The attorney needs a logo design and business card. The graphic designer needs a contract that can be customized when signing clients. How should these trade partners value their services?

The attorney noted the additional years of schooling required for their profession and suggested they receive 2 hours of graphic design support for each hour they spend working on the contract. The graphic designer countered that the base for the contract was already available as a boilerplate and that customizing it would require little time and effort. However, they noted the design process is organic and results in a unique creation. They felt they should receive 2 hours of legal support for each hour spent on the logo design. **Who do you think is correct?**

I will not share the details of how this trade was worked out, or if it was worked out. I share it only as an example of the importance of making certain that the trade partners be in agreement regarding the value of the trade, **before** work is started.

#5—WHAT IS THE TIME FRAME FOR THE TRADE TO BE COMPLETED?

How many weeks/months will the trade take? If one partner delivers their service within 4 weeks, is it okay for the other partner to take 6 months? **Discuss expectations regarding the delivery date for each partner.**

#6—WHAT ABOUT UPDATES?

The trade has come off successfully, but 6 months later one (or both) needs an update. Using the example above, what happens if the attorney needs the address changed on the business card or wants to change the tag line of their logo? What happens if the graphic design professional wants additional language in the contract they received, due to new regulations? **Discuss whether or not any future updates will be paid services, once the trade agreement has been fulfilled.**

#7—WHO OWNS THE FILES?

Using the example above, will the graphic design professional hand over the logo and business card files to the attorney? Can the attorney then provide them to a different graphic design professional to use on other marketing projects? Will the attorney give the contract file to the graphic design professional to update on their own or provide to a different legal professional? **Discuss the ownership of the files that are created.**

Now you know!

The Truth about Trades



THERE'S MORE! Email me at Robin@DoubleVisionArt-Design.com to receive a copy of "*How DIY can Hurt Your New Business.*" It provides insights on the challenges of "do it yourself," which at first glance can seem like such a good idea to new business owners who want to save money.