



ARLEN REDONOR, VANCOUVER PROVINCE

A worldwide corporate barter system on the Web is an enormous market waiting to happen, Barry Davenport says.

Firm wants to unleash barter power

BY TONY WANLESS
Vancouver

From its smallish waterfront office, a company now in development plans to launch an e-commerce idea so big it could revolutionize global corporate trade.

Although registered in Delaware, barter.com is Venture Resources' primary Vancouver-based startup and is working on proprietary software that will help it plumb the world's barter trade among large corporations, valued at \$2 trillion U.S. a year.

"All of the world's largest corporations engage in barter, usually for very large commodities, but it's now conducted in a painfully slow manner, through contacts, private networking, or happenstance," says barter.com CEO Barry Davenport.

"Our vision is to create a Web-based system to facilitate transactions, negotiations and settlements. It will be a very large business-to-business exchange."

Organizing the world's big corporation barter trade in a Web-based B2B exchange is a fairly sweeping concept, and Mr. Davenport — a former banker, currency trade expert and currency market regulator — is not unaware of that fact.

But he believes it can be done.

"It is definitely a very big idea," he says. "But, as this gets launched, it has

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CEO, barter.com

great potential. It's an enormous market waiting to happen.

"We are convinced that, because we will be introducing a system of barter credits, or currency, to the process, we will be able to create a universal, non-sovereign electronic currency that will help the world's corporations in their barter trade.

"Most entities we're targeting understand it completely."

The Internet-based barter.com exchange will introduce efficiencies in transactions, data and information management that do not exist at present.

It also will be a gateway to the global supply-and-demand chain.

In the process, it will create a kind of parallel-universal currency that will be needed to value the commodities traded.

Unlike many currencies in the world today, however, it will be backed by solid corporate holdings, rather than political resolve, or lack of it, that often is the only backing for currencies.

This is obviously big-time thinking and would usually be reserved for the likes of New York or London, the primary centres for world trade.

But it's being launched from Vancouver, and Mr. Davenport says well it should be. "There have been some big ideas coming out of Vancouver, like Ballard Power, so why not here? It got me to move here (from Toronto), and it could do the same for others."

The reality, says James Fierro, barter.com's founder, is that the kind of venture in which barter.com is engaged doesn't really have to be anywhere, and Vancouver offers a plentiful supply of talent, cost savings and other skill resources that the company needs. "It's also close to Asia, where much of the world's trade is foreseen to be in the future," Mr. Fierro says.

"Our business is clearly international, but we're anchoring the technology here," Mr. Davenport says. "That is important, because we're using industrial-strength technology, something that couldn't have been done three years ago."

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