

Dubai gives BizXchange a Middle East toehold

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STAFF WRITER

From his apartment window in the scorching desert city of Dubai, Bob Bagga can see construction cranes building what will be the world's tallest skyscraper.

Bagga, CEO of the Seattle barter company BizXchange, has positioned his company's first overseas office smack in the middle of fast-paced Dubai. Here, Bagga hopes to grow BizXchange's global customer base.

This month, BizXchange scored its first large Dubai deal. Large Middle East and Asia shipping company Aramex will exchange shipping services for BizXchange trade credits. Aramex will then use the credits for marketing, printing and advertising services. Bagga would not say how much the deal is worth.

BizXchange is now working with 40 companies in the Middle East, including multibusiness conglomerate Al Aqili Group, publishing house Motivate Publishing and the marketing firm Concept Group. Bagga said the average BizXchange transaction in Dubai is worth more than \$100,000 and the company has contracts from Middle East clients well into 2008. The percentage of BizXchange's revenue from Dubai remains small, Bagga said, but he sees that changing quickly.

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Bob Bagga, CEO, BizXchange

"We have a grandiose vision of using Dubai as a way to expand internationally," Bagga said.

Bagga believes Dubai's central geographic location and rapidly growing economy will give BizXchange the opportunity to reach the rest of the Middle East, Asia and Europe. Dubai, a city located in the Middle Eastern nation of United Arab Emirates, is also home to a slew of potential BizXchange clients in the media, travel and hospitality, airline, printing and real estate industries.

The Middle East, an economy that grew up around bartering, seemed a natural home for the trades conducted on

BizXchange. Dubai has a large foreign population, English is spoken everywhere and Bagga sees it as much more like the United States than his native India. The city has become a hotbed of development and business activity, with financial, technology and media districts.

"Dubai has become a progressive magnet for brilliant ideas and talent," said Nohl Martin-Fouroohi, who owns the Kirkland-based business development company Ignite Biz and helps clients establish themselves in Dubai.

In Dubai, BizXchange focuses on corporate barterers, or large companies involved in big transactions. BizXchange takes a 6 percent cut from each transaction and charges a membership fee.

Bagga began thinking about expanding to Dubai last year, after visiting the city several times and witnessing the economic development.

"Ten years ago, it was completely desert," Bagga said. "There's been explosive growth."

Bagga opened the BizXchange Dubai office in February. He travels back and forth regularly, staying in an apartment rented by the company. Four people staff



Bagga

an office in Dubai's emerging financial district.

The modern, air-conditioned buildings are key for unacclimatized Seattleites. On a recent phone call from Dubai, Bagga said the thermometer outside read 45 degrees Celsius — or about 113 degrees Fahrenheit.

Though Dubai represents the next chapter for BizXchange, the company still does the majority of its business in the United States and has 1,500 customers here. The company has about 20 employees in the Seattle office and 10 in San Francisco, and expects to have revenue of over \$3 million this year.

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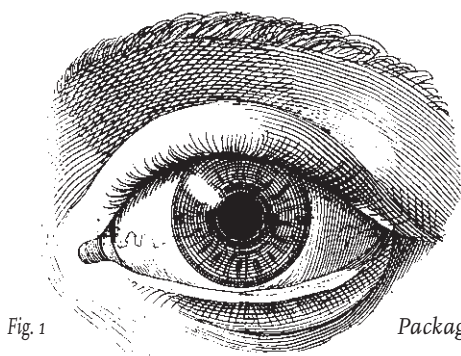


Fig. 1

Package leaves Seattle

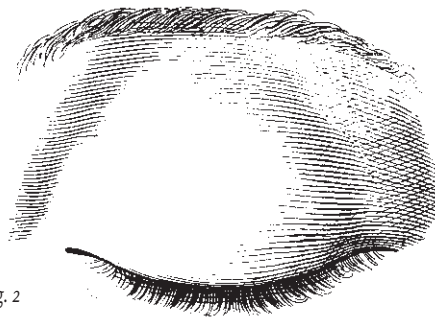


Fig. 2

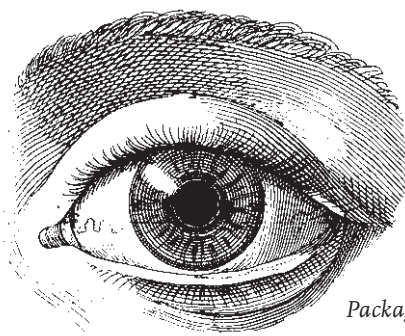


Fig. 3

Package arrives in L.A.


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