

ART WORLD NEWS

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Technological Advances For The Industry

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Art-exchange is an online marketplace for dealers to buy and sell works of art. This B2B website is designed to bring cost savings and business efficiencies to the process of locating and purchasing art.

The formerly fractured art buying and selling communities are connected through the "art-exchange community." Its website is organized as a community for shared interests where a gallery's art inventory is freely available and easily accessible with pricing designed to fuel commerce.

Formed in 1998 by Richard Gipe, co-owner of Legacy Fine Art, a Hot Springs, AR, art gallery in business for seven years, the first version of the B2B site went live in the summer of 2000. Since then, the art-exchange has continued to evolve.

Currently, art-exchange has approximately 30,000 pieces of art listed and 2,200 subscribing members. Of this number, approximately 1,800 are artists or art sellers listing works and the balance are on the buy side of the market.

"Our near term goals are to scale art listings to 200,000 pieces and scale Subscribing Members from the buy-side to 5,000. At this point our concept will have been adequately proven and we should qualify for an Initial Public Offering with which we can conduct branding activities worldwide," says Gipe.

As is the case with all business-to-business exchanges, he observes, for them to work they must be embraced by the supply side and the buy side of the markets.

Earlier this year, art-exchange partnered with Edgewater Technology (Nasdaq: EDGW) to develop its virtual gallery of fine art.

The purpose of the partnership in creating online gallery and the general affiliation of the two companies is:

- To accommodate the growing virtual gallery of artwork
- To enhance functionality of the existing website
- To create a secure network for buyers and sellers of artwork

- To provide a more robust technical architecture to support the growing business

Earlier, art-exchange received \$400,000 in seed capital from Arkansas Science and Technology Authority for further development of its site. This capital resulted in the partnership with Edgewater Technology.

Phase One of the site, which went live in January, offers an operationally pleasing website which industry members can log onto to list artwork. Since January, the online listings have greatly increased, and the company is implementing additional features to be encompassed in Phase Two of the website.

Phase Two will give art-exchange the capability to list in excess of one million pieces of art, and make those pieces easily accessible to dealers with divergent art needs, bringing art-exchange.com closer to its goal of providing a stock market-like model to the art industry.

Phase Two will also offer an integrated shopping cart and expanded member services, among other technological advances. Also, in addition to artists, art-exchange is looking to work with art publishing companies.

Call (501) 624-1044, or go to www.art-exchange.com.