



CONSULTING
& TAX SOLUTIONS
NAVIGATING BUSINESSES INTO GROWTH

Business Credit Building 4-U Guide

Structure your business for financial growth

Business Credit Basics

- Building good business credit can help you get lower-interest small-business loans, business credit cards and better terms from your suppliers. It may even help attract new customers, since anyone can check your business's credit score as a way to gauge your trustworthiness and responsibility. Your business credit score will likely vary by credit bureau because each bureau calculates scores differently. But generally, the best way to build business credit is to update your business information with business credit bureaus, establish trade lines, borrow from lenders that report to credit bureaus, and make payments early or on time.



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Establish your Business Credibility

- There are primary pieces of information about your business that tells a lender or creditor whether your structure is in tact. They include, but are not limited to the following.

1. Corporation filing/EIN/Duns #
2. Commercial Address
3. Commercial phone number
4. Business email (tied to your business domain)
5. Business domain and website
6. Business bank account (at least 4 months old for some lenders)



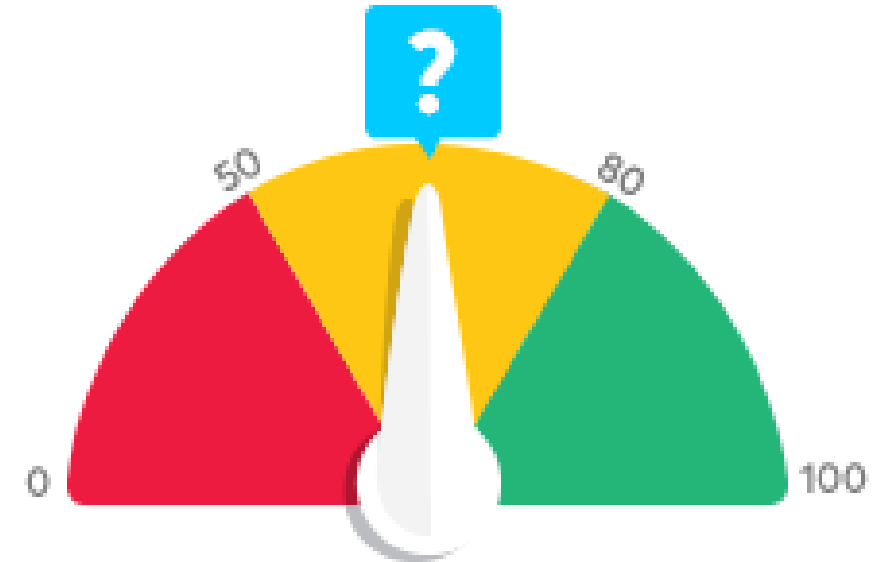
Net-30 Vendors That Report to Commercial Credit

1. Grainger

Grainger offers a large variety of products for businesses, including tools, plumbing supplies and safety equipment. They also offer office and janitorial supplies. There is a very wide variety of merchandise offered, so you should be able to find something your business needs.

Signing up for a Grainger account is free and easy. Just follow the instructions online. When you do, you'll be offered the opportunity to request a \$1,000 line of credit with Grainger. You simply check that box to apply. This is considered one of the easiest vendor accounts to get. You won't get an answer immediately if you qualify, but if you don't hear back within a day or two, reach out to them.

Know Your Business's Credit Score?



Nav is the **ONLY** source for both personal and business credit score access.

Check your business credit profile for **FREE**.

www.nav.com



Net-30 Vendors That Report to Commercial Credit, cont.

2. Uline

- Uline also offers a wide variety of products your business may need including shipping boxes, office furniture and supplies, food service packaging and kitchen supplies, and more. Shop for supplies your business needs, then at checkout you'll be offered the opportunity to be billed, with payment due in 30 days. (That's referred to as net-30 terms.) Use that option so you can build a credit reference. If you check out successfully, then you've been approved for terms. Pay on time or early and you'll have another credit-building account under your belt. Like Grainger, this account is considered quite easy to get. No Social Security number is requested and your personal credit scores won't be checked.

3. Quill

When you open a [Quill](#) account you will be asked to fill out a profile that describes your business. That information includes the year the business was started and the industry in which you operate. (Don't be discouraged if your business is young; newer entrepreneurs often report success getting a Quill account.) Shopping online using a Quill account is like shopping at your local office supply store, but with a huge inventory of products.

Once you find what you want to buy, add it to your cart. Proceed toward checkout and you'll see a notice that you can order now and pay later. If approved, you'll get net-30 terms. According to Quill, approval can take 1-2 hours during business hours, or up to a business day if you apply outside normal business hours, Monday through Friday.





Find and compare small-business loans

- If you're looking for a loan contact us. We have developed relationships with banks and lending institutions to assist you. We gauged lender trustworthiness, market scope and user experience, among other factors, and arranged them by categories that include your revenue and how long you've been in business. We help you get approved with vendors who report to the appropriate business credit reporting agencies to build a business credit profile for your business. We then help you leverage your business credit profile to qualify for tens-of-thousands of dollars in business credit. You can be approved for major credit cards and for multiple business credit lines, all in your business name. And many sources will provide you credit with no personal credit check or personal guarantee.

**NEED
BUSINESS
CREDIT?
\$50,000
FUNDING GUARANTEED**



1. Keep your information current with all three credit bureaus.

- There are several credit bureaus that collect data and create business credit scores, including Dun & Bradstreet, Experian and Equifax. But compared with personal credit scores, which follow the standards set by Fair Isaac Corp. to produce a standard FICO score, business credit scores are much less streamlined. Each business credit bureau has a different formula for calculating scores, and different lenders report different types of data, says Gavin Harding, a senior business consultant at Experian.
- Since you never know which credit bureau your vendors, creditors or potential customers will check, it's smart to maintain all three. Dun & Bradstreet, for example, allows business owners to update basic business information (such as years in operation or number of employees) and upload financial statements. The more complete your profile, the better. For more on how to monitor your score, check out this [business credit score guide](#).



2. Establish trade lines with your suppliers.



If you buy supplies, ingredients or other materials from third-party vendors, those purchases could help build your business credit. Many suppliers extend trade credit, which means they allow you to pay several days or weeks after you receive the inventory. If you have this type of accounts-payable relationship, ask your supplier to report your payments to a business credit bureau. Your business credit score will get a boost as long as you stick to the terms of the trade agreement.

You need at least three trade lines to get a Dun & Bradstreet Paydex score, which measures past payment history. Even if you don't work with a lot of suppliers, we suggest setting up trade lines with any small vendor, such as your water or office supplies distributor. If those vendors don't report to a credit bureau, you can list them as a trade reference on your account, and Dun & Bradstreet will follow up to collect your trade data.



3. Make payments to creditors on time or early

- Although each credit bureau uses slightly different methods of crunching business credit scores, all of them consider your history of paying creditors. To ensure a good score, make sure your payments are on time or, even better, early. Dun & Bradstreet only assigns perfect scores to those who pay early.
- Nerd note: A long credit history tends to weigh favorably, so the sooner you can start establishing business credit, the better. Also, credit utilization is a factor in business credit scores — as it is with personal credit scores. So use your cards and lines of credit, but don't max them out. Limit your spending to 20% to 30% of your credit limit.



4. Borrow from lenders that report to credit bureaus.

- Small-business loans can actually boost your business credit if you make all your payments on time and the lender reports to a business credit bureau. But not all lenders do. So if you're intent on building business credit, ask the lender whether they report before you take out a small-business loan. Banks typically report to credit bureaus, but if you have bad credit, you probably won't qualify for a bank loan.



5. Keep your public records clean.

- In addition to detailing your business's history of paying creditors, your business credit report will have any public records filed in your business's name, including bankruptcies, judgments and liens. A judgment is a court ruling; if the ruling is against you in a debt collection lawsuit, it will have a negative affect on your credit score. A lien is a creditor's legal right to seize your property unless you pay an owed amount, such as an outstanding small-business loan or unpaid taxes. These negative marks on your business credit report can haunt you. Bankruptcies, for example, stay on your Experian credit score for almost 10 years; tax liens, judgments and collections remain for almost seven years.



Tiered Consulting for the Business Credit Program

Tier 1

- 3-4 months
- Personal Credit Repair
- Small Business Legal Plan
- We will work with you to ensure your business credit profile structure is properly organized to obtain lines of credit.
- 3 Trade Accounts
- List of Vendors who report to Dun and Bradstreet and Experian
- 7 Steps to Building Business Credit



Tier 2

- 3-4 months
- Personal Credit Repair
- Small Business Legal Plan
- We will work with you to ensure your business credit profile structure is properly organized to obtain lines of credit.
- Obtain lines of credit with vendors who report to Dun and Bradstreet and Experian. \$500-\$2000 credit lines
- Business Plan



Tiered Consulting for the Business Credit Program

Tier 3

- 4-6 months
- Personal Credit Repair
- Small Business Legal Plan
- Life Insurance for Key Person
- Higher credit amounts of \$4k-\$5k
- Business Plan



Tier 4

- 4-6 months
- Personal Credit Repair
- Small Business Legal Plan
- Life Insurance for Key Person
- Higher credit line amounts of \$10k-20k
- Cash Credit accounts
- Business Loan Proposal to Banks/funding sources



Sign up for our Business Credit Program



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