

The background of the entire page is a collage of various US dollar bills, including one-dollar, five-dollar, and ten-dollar bills, arranged in a slightly overlapping and angled manner. The bills are in shades of green and white.

Money in the Bank

*The Step-by-Step Guide to
Establishing Business Credit*

By Katryna Johnson, J.D.

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INTRODUCTION

Having access to cold hard cash, credit, or capital when it's needed is often the difference between *Failure* and *Success!* when you are running a business. Having a way to quickly get your hands on some cash is often necessary to meet payroll, buy inventory, replace or invest in equipment, buy supplies in bulk, take advantage of an opportunity or maybe even-out seasonal cashflow shortcomings.

When those situations arise, some business owners will start a juggling act that even the most talented clown in the circus would envy -- delaying payments, forgoing salary, laying off workers, borrowing from Peter to pay Paul. These short-term emergency decisions can often jeopardize the long-term stability of the business. Other business owners reach into their wallet and pull out their personal credit cards, dip into their own savings, or take a second mortgage on their house, jeopardizing their family's personal credit situations. The recent economic and credit crunch has made this even more difficult.

That's why taking the time and effort required to establish credit in the name of your business, **completely separate and apart from your personal credit**, is crucial. But here is fair warning: it is not enough to just establish your business credit profile, you have to maintain your good credit standing by paying your business accounts on time, every time.

This step-by-step guide gives you the key to thousands, perhaps millions, of dollars you cannot currently access.

So, let's get started.

WHAT IS PAYDEX?

Just as there are three major personal credit bureaus -- Experian, TransUnion, and Equifax – there are three major business credit bureaus – Dun and Bradstreet, Experian, and more recently Equifax.

Dun and Bradstreet (or D&B as it is often called) holds the key to successfully obtaining business credit. Instead of a FICO score, which is used to determine your personal creditworthiness, business creditors use a system, developed by D&B, known as Paydex. Paydex is tracked by your company's EIN (employer identification number), not your personal social security number.

Unlike your personal FICO score, a Paydex score does not take into consideration the amount of debt your business carries, or if you have too much credit, or not enough. Paydex is mostly concerned with one thing: do you pay your bills consistently and on time?

Business credit is rated DAILY, not monthly. Every single time you pay a bill early, your score can be improved. Every time you pay a bill even one day late, your score can be hurt. A Paydex score of 80 means you pay every bill exactly on time, on the due date. Whether that due date is in 30 days, or 10 days, or 90 days, you pay exactly when it's due. A Paydex score of 75 means you pay an average of 5 days late; 70 means your company on average 10 days late. If you always pay 5 to 10 days before the due date, your company may have a Paydex score of 85 or higher.

PREREQUISITES

Before you even attempt to begin to establish business credit, there are some prerequisites you MUST complete first. Trying to establish credit without setting the proper foundation will result in your applications being denied.

Prerequisite #1 -- Establish a Business Entity

If you are a sole proprietor, you most likely will NOT be approved for any business credit based on your EIN only. That means you have to create a separate business entity – a partnership, corporation, or limited liability company. Consult an attorney or accountant if you are unsure which business entity makes sense for your particular situation. The main types of legal structures the majority of business owners choose are:

Partnerships:

Two or more individuals can join forces and create a partnership. Partnerships are governed by the laws of each state, so there can be variations between jurisdictions when it comes to establishment, rights, responsibilities, and obligations of partners, and reporting requirements. But in general, almost every state recognizes two types of partnerships: a General Partnership, where all partners equally share in profits, risks, and responsibilities; or a Limited Partnership, where there are two classes of partners, General Partners and Limited Partners. General Partners are responsible for their own actions and the actions of employees and actively manage the business. Limited Partners generally do not have an active role in managing the business and have limited responsibilities. Personal assets of General Partners may be open to attachment from creditors, but Limited Partners generally are not.

If you choose to form a Partnership, be sure to have a formal Partnership Agreement drafted and properly signed and executed. Future creditors want to see that you have followed through legally to protect and run your business.

Corporations:

Corporations are the most formally organized business structures and are required by law to operate under an EIN, not an individual Social Security Number. There are two forms, a C-Corp and an S-Corp, depending on how the owners want to be taxed. They are incorporated by one or more individuals who own shares in the organization. State laws govern many aspects of corporations and different states have different rules and regulations. You can choose to incorporate your business in a state other than where you live if you want. Many corporations used to incorporate in the State of Delaware because its laws provided the most benefits and protections for the business owners and limited shareholder rights. More and more states are moving more toward the Delaware models, but it doesn't hurt to check out the differences between states when you are first starting out.

Corporations are run by a board of directors and must follow numerous corporate formalities. If you choose to incorporate, make sure you understand the requirements for documenting decisions, voting rights, and maintaining corporate minute books. You should also take the extra step of having Corporate By-Laws drafted. While they often aren't required by the state, having taken this extra step may become crucial at a later time when you want to take out a business loan.

Limited Liability Company:

Limited Liability Companies (LLC) often represent the best of all worlds. They are organized by one or more individuals who are known as members. LLCs have the advantage of protecting personal assets similar to a corporation, but

having few formalities to follow. If you choose to form an LLC, make sure you have an Operating Agreement created setting out the rules for your organization. It will be a valuable document as you establish your business credit profile.

There are advantages and disadvantages to each type of business entity so some thought needs to be taken in selecting the right structure. Some structures require more reporting and documentation of decisions than others. Some have more limitations. Some provide more liability protection for the owners. Some structures make more sense in some types of businesses or industries, and do not lend themselves well to others. Your best course of action is to research the different types and discuss your options with your accountant and a business attorney to make sure you make the right choice for your situation.

Establishing the Entity of your Choice

Partnerships, corporations, and limited liability companies are governed by state laws and must be registered with the states in which they do business, have their headquarters, or have a business purpose for registration. In most states, the department that handles those registrations is the Secretary of State, or Department of Commerce. Most states have their required forms online for you download and complete. Plus, they will give you their filing costs and procedures. You do not need to hire an attorney to file these forms, nor do you need to hire one of those "We Will Incorporate You" firms, unless you want to. The forms and procedures are not difficult to follow, and most states have personnel who are more than happy to answer your questions.

When you receive your certificate of registration from the state, keep it handy. You will need it as you establish and build your business credit profile.

Prerequisite #2: Obtain an EIN

Obtaining an Employer Identification Number (EIN) is quite easy to do. You can fill out a Form SS-4 online at www.irs.gov/businesses/small and submit. Make sure your business name and business address EXACTLY matches what is on the registration certificate from your state. You will be issued an EIN immediately upon validation from the IRS. However, a word of caution: the IRS will send a letter in approximately 10 days confirming your number. There have been instances where confirmation letter is the actual number assigned. If that discrepancy happens to you, make sure you notify every company (usually your bank, accountant, payroll processors) of the change. Otherwise, you will have to clear it up at tax time, which is the worst time to address those types of issues with the IRS. You can also apply for your EIN via telephone by calling 1-800-829-4933, or simply mailing Form S-44 to the IRS at the address listed on the form.

Keep the confirmation letter from the IRS. You will need it as your establish your business credit.

Prerequisite #3 -- Establish a Business Checking Account

Take your state registration and EIN notification letter to your bank and open up a business checking account in the name of your business. Again, make sure the business name and address matches the state registration exactly. Have checks printed that show your business name and address only – do not include your personal name. Do not use a DBA (doing business as).

Though not necessary, it's advisable to seek out a smaller, community-based bank to hold your business checking account. At the smaller banks, you can establish a personal relationship with the banker and when it comes time to request a loan, having a prior relationship, especially with a banker who has the authority to approve or deny your application, can be very advantageous.

Prerequisite #4 – Get listed with Directory Assistance

The best advice here is to get phone service established in the name of your business. However, it is possible to get your personal cellphone, 800#, VoIP, or other number listed with Directory Assistance.

Step 1: List your business on <http://www.listyourself.net> This file is routinely purchased by the various National Telephone Directory services, but it may take several months for your business information to make it to the national directories, so don't stop there.

Step 2: List your business on <http://www.superpages.com> This file is also routinely purchased and compared by National Telephone Directory services. It's faster than listyourself, but if you want to get started sooner, take the next step, too.

Step 3: Have your business listed as a “foreign listing” in your local telephone directory. Find out the phone number for the customer service or white pages listings for your area. Call and explain that you do business in the area and you have a telephone number that needs to be listed in the directory. There is a charge, typically \$3.00 to \$5.00 per month. You can usually set up billing, or pay annually (\$30 to \$60).

It is critical that your business telephone number can be found when someone calls 411. Credit underwriters from mid-level vendors, major retail accounts, and all Visa/Mastercard issuers will all call 411 and verify that your business is listed in the directory. If you are not listed, you will not be granted credit.

Prerequisite #5 -- Get your D&B D-U-N-S number

If you have completed prerequisites 1 through 4, you are then ready to contact Dun and Bradstreet. Go to <http://dnb.com>, click on “Get D&B DUNS Number.” Enter your company name, city and state and click on “Next.” If your company appears, Congratulations, you already have vendors who report your payments. But most likely, you will not appear unless you have made an effort to be listed.

On the next screen, you will be given several options. \$50 to get DUNS in 5 days; \$329 for more services; \$599 for complete package; or No Charge. To get started, it’s OK to go for No Charge, though eventually you will want the \$329 package or above.

Complete the application. Make sure your company name and address is EXACTLY how you registered with the State and matches your EIN notification letter. Within 24 hours, you will receive a telephone call from a D&B representative. They will try to upsell you to one of the other packages. You can say no. However, this D&B representative needs to become your friend so do not be rude. Make sure you get the contact information (phone and email) for the D&B representative. You will need it later.

In approximately 30 days, you will receive an email with your DUNS number. It should also have instructions on how to access your D&B account online. Save that email.

If you go for the \$329 package immediately, you will need to provide the D&B rep with details about your business, like number of employees, value of your business assets, average monthly sales for the past 12 months, average transactions

per month, etc. You should also be able to provide balance sheet and possibly an assets and liabilities statement. **DO NOT FAKE THIS DATA.** It is better to delay setting up your entire profile until you have correct and verifiable information than to try to make it up.

INITIAL VENDORS

Once you have completed all of the prerequisite steps, you can begin applying for business credit. Below are vendors who will most likely approve you using your EIN only, with no personal guarantee, and with minimal verification. They will typically extend credit to your business at a minimum \$250 up to a maximum of \$5,000, depending on your industry type. Note: Your EIN, business name, and business address must match EXACTLY with your state registration and EIN application on every credit application.

It's important that you do NOT personally guarantee these accounts, nor provide your social security number. A personal guarantee (or sometimes spelled guaranty) is a promise made by the business owner that makes the owner personally liable to repay the company debts in the event of default by the business. Having excellent business credit is a great way to avoid having to sign a personal guarantee. If the creditor community can see that your business is growing in size and revenue and that you take paying your bills on time seriously, they will be willing to waive the personal guarantee in time.

You need at least 5 of these initial, smaller-credit-limit vendors reporting to Dun & Bradstreet in order to establish a base Paydex score. Choose the ones that have products and services you can use. However, keep in mind that these initial vendors are merely opening the door for you to show other vendors and bigger creditors that you are creditworthy. Getting a Staples or Office Depot store card is not the point – establishing a Paydex score so you can be approved for a big loan when you need it, is. Make a small purchase from each vendor. Wait to receive an

invoice and then pay it off within 10 days of receipt. Wait two weeks, then order more products. Wait for the invoice, then pay it off quickly. Do this consistently for 90 days.

Pull up your D&B account. Between 60 and 90 days, you should start to see your purchases and early payments being reflected. If you are paying promptly, you will start to see your Paydex score rise to 80 or above. If at the end of 90 days, you do not see activity on your profile, call or email your D&B representative. Explain that you have made purchases from X companies and that they are not being reported. Be ready to provide your representative with your account numbers, date and amount of purchases, and date of payments. Since D&B has a vested interest in having their members report transactions to them on a timely basis, they will often contact the vendors on your behalf and get the flow of good credit information flowing to your profile.

Here are some of the vendors you want to consider:

Staples – www.staples.com

General office supplies, furniture and equipment, as well as printing and copying services. Pick up an application at your local Staples store or apply online. They will call you within 48 hours of receipt to verify your information. They may request you fax a copy of your state registration certificate, your EIN notification from the IRS and a copy of your driver's license.

The most common initial amount is \$750. You can request credit limit increases every 6 months.

You cannot make payments at the store, but can pay online or by mail.

They report to D&B, Experian, and Equifax.

Fed-Ex/Kinko's – www.fedexkinkos.com

Shipping and copying services. Contact their Revenue Services Department 1-800-622-1147 press 4 then 1 to get your initial account. They may request your state registration certification and EIN notification.

They report to D&B, Experian and Equifax.

Office Depot -- www.officedepot.com

General office supplies, equipment and furniture, as well as copying and printing services. Apply online. Do not fill in your social security number.

The initial credit limit varies by part of the country. You can request credit limit increases every 6 months.

They report to D&B, Experian and Equifax.

UPS -- www.ups.com

Shipping and mailing services. Apply online. Initial credit limit will be minimal. Can request an increase as needed after 60 days.

They report to D&B, Experian and Equifax.

Reliable Office Supplies – www.reliable.com

Office supplies, office equipment, furniture. Often require up to 3 purchases before extending credit, but be sure to ask for 30 day net terms, even on the

first order. Review their products online, then call 800-735-4000 to place your first order.

They report to D&B, not to Experian or Equifax.

Grainger – www.grainger.com

Hardware, industrial, mailing supplies. Apply for less than \$1,000 in credit and you won't need a personal guarantee. May require 2 trade references (your landlord and telephone company will often suffice) and a business bank account. Go online and download their credit application. Fax it to your nearest Grainger store. Wait 2 days, then call the store and ask for the credit department. If you have been approved, they will give you an account number. You can then go online and order items, using your account number. They will automatically grant net 30 terms.

They report to D&B, not to Experian or Equifax.

Discount School Supplies – www.discountsschoolsupplies.com

School and office supplies. Apply online, using your EIN number. Put 0 in "enrollment." Again, they will ask for 2 trade references. Approximately 24 hours after submitting your application, you will receive an email notifying you of your approval and giving you a password and credit limit. Save this email. Review the website for products to purchase, then call their customer service department to place your order. Request 30 day net terms.

They report to D&B, Experian, and Equifax

Uline Shipping Supplies – www.uline.com

Office supplies, janitorial, shipping, catering supplies. May require you to make one to three purchases before granting net terms. Can make a purchase 3 days in a row to meet the requirement. Initial credit amount will be \$200, but can request an increase every 90 days. Will require proof of a business banking account. Apply for credit terms over the phone by calling 800-958-5463. Even if not approved for terms, make an order. Call the next day to pay, then place another order and request 30 day net terms.

Sometimes they will fax you an application to complete, sometimes they will take a phone application.

They report to D&B, Experian and Equifax

Quill – www.quill.com

Office supplies, competitive with Staples and Reliable. They will require you to make one to three purchases before granting net terms. You must wait until you receive the items/invoice before calling to make a payment. Review website, pick out items to buy, call their Customer Service department at 1-800-789-1331, press 2, and place an order. Request 30 day net terms. They should transfer you to the credit department (1-800-634-3090). It's a short questionnaire. They may request proof of a business banking account if you are a new customer.

They report to D&B, but not Experian or Equifax

S. Walter Packaging – www.swalter.com

Bags, packaging items, gift wrap & bows, boxes. They require one paid purchase before they will grant terms. Review the website to choose items to order (make sure you checkout the Closeout section – some great deals in there!) Call customer service at 1-800-822-7026 to place your order and request terms. They will usually insist on immediate payment on first order, but if you are a returning customer, they will grant net 30 days.

They report to D&B, Experian and Equifax

Global Industrial – www.globalindustrial.com

Industrial products, storage equipment, furniture, cabinets, shelving. Review the website to choose items to order, then call 1-888-978-7759. Place your order and then during checkout, request 30 day net terms. The customer service rep will ask a few questions. Depending on the size of your order, your request will be approved. If not on this first order, get the products/invoice, call to make a payment, and then place a second order. You should be approved for terms on this order.

They report to D&B and Experian

Gemplers – www.gemplers.com

Office supplies. You are required to have your DUNS number established and at least 2 reporting vendor accounts. They will grant you an initial credit limit of \$300. They may ask you to pre-pay for 1 or 3 purchases, then you will be set up on 30 day net terms. Review the website to choose items,

then call customer service at 1-800-382-8473 to place your order. Be sure to ask for terms, even on your first call.

They report to D&B, but not Experian or Equifax,

Other potential initial vendors include Barnes & Noble, Viking Office Supplies, NEBS and Rapid Forms.

MID-LEVEL VENDORS

Once you have verified that at least 5 initial vendors have reported purchases and prompt payments and you have a base Paydex score of 80 or higher, it's time to purchase the \$329 or higher package through D&B and complete your company profile.

Before contacting your D&B representative, it's a good idea to review your complete financial situation with your accountant. Make sure you understand and can articulate your business situation, your goals, your projections, and any changes you foresee in the near future. After your review, call your D&B representative and purchase the package. They will interview you about your business. They will ask you for data such as your average monthly sales, number of transactions, and value of business assets. It's okay if you can't answer every question, but you'll want to make a note of any requested information that you do not provide so you can update your data later.

Once you have completed your company profile, you can apply for credit at one of the mid-level vendors. These vendors often grant credit limits of \$5,000 to \$25,000 to businesses with established D&B profiles and Paydex scores of over 80. Without a completed D&B company profile, many of these vendors will require a personal guarantee.

The goal is to obtain at least 3 mid-level vendor accounts before applying for any sort of business credit card or business loan.

Again, your EIN, business name, and business address must match EXACTLY with your state registration, EIN application, and D&B profile.

PCMall – www.pcmall.com

Large variety of items. Request a Preferred Account during your first order. Review items on the website, then call customer service at 1-800-555-6255. You may have to pay for your first order, or you can wait until your credit is approved (usually within 10 days). You will automatically be granted 30 day net terms. They will check with D&B to make sure you have a DUNS established and a company profile, as well as call 411.

They report to D&B, Experian and Equifax.

Dell – www.dell.com

Apply for credit online. They will check with D&B to make sure you have a DUNS established and a company profile. They will grant you 30 day net terms.

They report to D&B, Experian and Equifax.

Supply Hero – www.supplyhero.com

Office, janitorial, industrial supplies. You must have a DUNS and at least 3 reporting trade references. Review items on the website, then call customer service at 1-877-894-4884. Or you can download the credit application and fax it to them (fax number: 586-283-2700), then call 3 days later to place your order. Ask for net 30 day terms.

They report to D&B, Experian and Equifax.

Majestic Advertising – www.majesticadvertising.com

Promotional items, business cards, magnets, postcards. You can download the credit application from the website and fax to 1-866-517-7385. You need to register for an account online. You will be granted 30 day net terms if you have an established DUNS number, a Paydex score of 80 or above, and a company profile. After 2 to 3 days, visit the website and choose the items to purchase. Call customer service at 1-800-428-4016 and verify that your credit has been granted. Then place your order and verify you have net 30 terms.

They report to D&B, Experian and Equifax.

Marathon Oil – www.marathonpetroleum.com

You can go online and download the credit application. Fax it to 1-801-269-9709. You will receive the credit card in the mail within 21 to 30 days. You will be granted 30 day net terms. You can call 1-800-537-9580 to check on your credit status or request a credit line increase.

They report to D&B, Experian and Equifax.

Speedway – www.speedway.com

NOTE: There is a space on the application for social security number – leave it blank! You can apply online or pick-up an application at a station. They offer terms of weekly billing up to net 30. If you have been in business for 1 year, you can get net 30.

They report to D&B, Experian and Equifax.

Other mid-level vendors you may try include: Amazon, Chevron/Texaco, ExxonMobil, BP/Amoco, Citgo Fleet, Shell Fleet, Valero, Sunoco, Radio Shack, Conoco/Phillips, Office Max, TigerDirect, Wright Express, TechDepot and Borders.

MAJOR RETAILERS

Once you have at least 5 initial vendors and 3 or more mid-level vendors reporting to D&B, your company profile is complete, and you have maintained a Paydex score of 80 or above for at least 90 days, you are prepared to apply for credit from a major retailer. Even with a Paydex score of 80, some of them may request a Personal Guarantee if your business is less than 2 years old. That's okay (though not ideal) because they do not report to your personal credit if you apply using only your EIN.

Apply for a commercial or business account at least one of these vendors (the one you will most likely to need) using only your EIN and the name of your business. Do not provide them with your social security number. If they insist on an SSN, move on to the next company. Once you are approved, make a small purchase and pay it back quickly.

Sears

Best Buy

Enterprise Rent a Car (Corp. Rental)

Home Depot Commercial

Lowes Commercial

Meijers

Sam's Club

Target

Walmart

Tiffany's

QUEST FOR UNSECURED, EIN-BASED BUSINESS VISA/CREDIT CARD

Do not be fooled by the likes of Citibank, Capital One, or other credit card companies which tout the availability of a “business” credit card, but then use FICO criteria and your social security number. You want a true credit card based on your Paydex score and EIN. Below are some banks that have an EIN-only, Paydex scored Visa or Mastercard. Approval will be based on numerous factors, not just your Paydex score. Most, if not all, will require a personal guarantee if your business is less than two years old.

Wells Fargo Bank (Visa/Mastercard) www.wellsfargo.com

Bank of America (Visa) www.bankofamerica.com

American Express (Green/Gold) www.americanexpress.com

Cal Fed www.calfed.com

United California Bank www.unitedcalbank.com

But, there is another way to obtain an EIN-only, Paydex-based Visa or Mastercard. Find a retailer who issues a Visa or Mastercard. Two of the best programs are Pitney Bowes and Home Depot, though there are others.

The Pitney Bowes Method

Go to www.pitneybowes.com and order a mail machine. The bigger the machine, the bigger the initial credit limit. ORDER ONLINE ONLY. Do not use their customer service department.

Once you receive the machine in the mail, go to the website and open a “postage by phone” account. Order postage immediately (at least \$20 worth) and pay the bill as soon as it arrives.

Add postage at least one more time (\$10 or however much you need) and pay the invoice immediately upon receipt.

After you have made at least 2 purchases from the “postage by phone” account, call the Postage by Phone department (800-243-7800) and ask them to activate the “Purchase Power Credit Line.”

Use your “purchase power credit line” to buy postage EVERY 30 DAYS. You don’t have to buy a lot, you just have to buy consistently.

Depending on the initial amount of credit, you may have to wait at least 90 days, but then go online and request a credit increase to \$5,000. The form will ask for a social security number – do not give it to them. Sometimes, it will take 2 or 3 requests, but you will get approved in time.

Continue to buy postage EVERY 30 DAYS.

60 days after being granted a line of \$5,000, request another increase, this time to \$15,000. You must have a Paydex score of 80 and a complete company profile at D&B to be approved.

Every 60 days, request another increase. You can request increases of up to \$10,000 every 60 days.

Twelve months after being approved for the initial Purchase Power Credit Line, call 1-888-339-7228 and request your Credit Line be converted to the Purchase Power Plus Credit Line, which is a Visa card that you can use anywhere.

You can get an initial credit limit of \$49,999 without a personal guarantee if you follow these steps.

The Home Depot Method

Do not apply until you have an 80 Paydex score and at least 5 trade vendors and 3 retailers reporting to D&B.

First, apply for a Home Depot Commercial Card.

Home Depot requires a personal guarantee unless you have been in business for more than 2 years, have 10+ employees, or more than \$2 million in annual sales. However, if you have an excellent Paydex, are close to 2 years in business, and have, say, 8 employees, it may be waived. Even if you cannot waive the personal guarantee, you may still want to apply.

Your initial credit limit will be between \$2,500 and \$5,000.

Make purchases and on-time payments for 6 months, then request a credit increase.

Make purchases and on-time payments for 3 months with the increased credit limit. Then apply for the Home Depot Commercial Mastercard. They will almost automatically grant approve your request and will increase your credit limit.

You can then request an increase in your credit limit every 90 days. This is a Mastercard good anywhere Mastercard is accepted.

SEEKING A BUSINESS LOAN

Once you have 12 months of history with D&B and an 80 Paydex score, you can apply for a Business Loan and have a pretty high likelihood of being approved. However, before you approach a bank or finance company, you have some homework to do.

If you have not yet done so, spend some time to create at least a cursory Business Plan that details how you currently conduct business and your next twelve months of projected income and expenses. Have your accountant create a current Balance Sheet and Profit/Loss Income Statement. Identify any potential sources of collateral.

Update your D&B company profile to reflect your most recent balance sheet and financial and corporate data.

Once you pull together your financial picture and update your D&B profile, write out a Statement of Purpose for your loan. In your Statement, be sure to specify the amount of financing you need (make it reasonable, this is not the time to go for pie-in-the-sky), what you will use it for, when you need it, and how it will be repaid. Put your Statement together with your financials and create a Loan Request Proposal. No matter what your Paydex score is, a professionally presented Loan Request Proposal will make it more likely that your loan request will be approved.

Do not apply at your local national bank. They will not be the first banking institution to loan your company money, even if your Paydex history is perfect. You want a small community bank that is friendly to small business or a business finance company.

If you have developed a good relationship with that bank manager, now is the time to turn to them and ask their advice. Ask them to review your loan request proposal and give you feedback. Follow their advice. If they can't approve your loan, ask them for a recommendation on who might.

Once you get your first business loan, make sure you pay it back on time or early. Your payment performance on this first loan makes all the difference for future loans.

CONCLUSION

Congratulations! You should now have an established business credit profile, separate from your personal credit. You now have access to the vast array of financing options available to the business community. No more missed opportunities, not more sleepless nights over how you are going to meet payroll. You can move forward confident that you will have financing at your fingertips when you need it.

ABOUT THE AUTHOR



After being a solo attorney for 10 years, I closed my law practice and started my own consulting firm, Success Point Consulting, specializing in helping people (especially women) follow their dreams to start their own businesses. I run seminars and webinars, write and sell books, and conduct one-on-one coaching and mentoring. I am available as a guest speaker on a wide range of business and motivational topics.

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Katryna Johnson