

# Building Strong Business Credit:

*A COMPREHENSIVE GUIDE TO  
GROWTH, FINANCING, AND SUCCESS*

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# Introduction & Purpose of the booklet

THIS BOOKLET AIMS TO OFFER VALUABLE, COMPLIMENTARY INFORMATION TO CURRENT AND PROSPECTIVE BUSINESS OWNERS. IT FOCUSES ON IMPROVING BUSINESS CREDIT, SECURING EQUIPMENT FINANCING, AND UNDERSTANDING EFFECTIVE CREDIT-BUILDING STRATEGIES.

## IMPORTANCE OF BUILDING BUSINESS CREDIT

*ACCORDING TO THE SMALL BUSINESS ADMINISTRATION (SBA), 54% OF SMALL BUSINESSES USE CREDIT TO HELP MANAGE THEIR FINANCES, UNDERSCORING THE IMPORTANCE OF HAVING GOOD BUSINESS CREDIT.*

## HOW BUSINESS CREDIT CAN FACILITATE BUSINESS GROWTH

*EXPERIAN REPORTS THAT BUSINESSES WITH HIGH CREDIT SCORES ARE 41% MORE LIKELY TO RECEIVE FAVORABLE FINANCING TERMS, WHICH CAN SIGNIFICANTLY AID IN EXPANSION EFFORTS.*



Readers should consult with a professional financial advisor or attorney to address their specific needs and circumstances.

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# Chapter 1: Understanding Business Credit



**What is business credit?**

- Business credit refers to a company's ability to obtain financing based on its creditworthiness.

## **How business credit differs from personal credit**

- Business credit is linked to the company's EIN, while personal credit is linked to the individual's SSN.

## **Key benefits of having good business credit**

- *According to Nav, 70% of businesses that improve their credit scores see an increase in financing opportunities.*
- Easier access to loans and lines of credit.
- *SBA highlights that businesses with higher credit scores are 41% more likely to receive loan approvals.*
- Lower interest rates lead to significant cost savings over time.
- Improved supplier relationships and payment terms.

# Chapter 2: Getting Started with Business Credit



Steps to establish business credit



1. Register your business legally (LLC, Corporation).
2. Obtain an EIN from the IRS.
3. Open a business bank account.

## Registering your business legally

- *The IRS notes that businesses with proper legal registration are 30% more likely to qualify for business credit.*

## Getting an EIN (Employer Identification Number)

- *SBA reports that businesses with an EIN are more credible to lenders and vendors.*

## Opening a business bank account

- Keeps personal and business finances separate.
- Builds a financial history for the business.

# Chapter 3: Everyday Tips to Build Business Credit

## Paying bills on time

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- *A report by Experian indicates that 64% of businesses with an on-time payment history have higher credit scores.*
- *Experian's data shows that timely payments can improve your business credit score by up to 50 points within a year.*

## Opening credit lines with vendors

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- Establish relationships with suppliers who report to business credit bureaus.

## Using business credit cards responsibly

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- *SBA data shows that businesses using credit cards as part of their credit-building strategy can increase their credit scores by up to 30 points within a year.*
- Establishing vendor credit can create a positive credit history.
- SBA notes that maintaining a low credit utilization ratio can enhance credit scores.

## Regularly checking your business credit report

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- **Monitor for errors and address discrepancies**

# Chapter 4: Advanced Strategies for Building

## Business Credit



Using secured business credit cards



- Great for businesses with no or poor credit history.

### Establishing trade lines with suppliers

- *Businesses that establish trade lines with multiple suppliers report a 20% increase in their credit scores within the first year.*
- A Dun & Bradstreet report found that businesses with three or more trade lines have a significantly higher likelihood of achieving a good credit score.

### Leveraging business loans and lines of credit

- Use credit responsibly to build a positive payment history.

### Managing cash flow and debt wisely

- Implementing effective cash flow management strategies.

# Chapter 5: Unique Tips for Building Business Credit

## Leveraging business incubators and accelerators

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- *Companies that participate in incubators have a 75% higher success rate over five years than those that don't.*

## Joining business credit building programs

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- Programs like Credit Builder by Nav can help improve scores.

## Utilizing lesser-known credit reporting agencies

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- Agencies like Dun & Bradstreet, Equifax, and Experian.

## Networking with industry peers for credit opportunities

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- Join industry associations and chambers of commerce.



# Chapter 6: Importance of Equipment Financing

**How equipment financing can help grow your business**

- *According to the Equipment Leasing and Finance Association, 79% of U.S. businesses use financing for equipment acquisition.*

## **Types of equipment financing available**

- Loans, leases, and lines of credit.

## **Benefits of financing vs. buying outright**

- *Businesses that finance equipment can conserve 30-40% of their working capital compared to those that purchase equipment outright.*
- Preserves capital for other operational needs.
- Tax benefits such as deductions and depreciation.

**Example:** *IRS Section 179 allows businesses to deduct the full purchase price of qualifying equipment purchased or financed during the tax year.*



# Chapter 7: How to Secure Equipment Financing

## Preparing your business for financing

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- *Fundera reports that 60% of small business owners find the equipment financing application process straightforward and easy.*

## Key factors lenders consider (credit score, business plan, etc.)

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- Business credit score, years in business, revenue, and existing debt.

## Step-by-step application process

### Simple one-page application.

- Provide an ID and engage in a 15-30 minute phone conversation.
- *According to Fundera, 60% of small businesses find the application process for equipment financing to be straightforward.*

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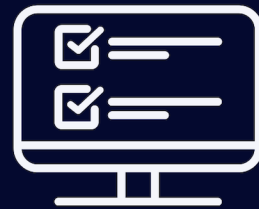
## Common pitfalls to avoid

- Avoid over-leveraging and ensure timely payments.

# Chapter 8: Case Studies and Success Stories

## Stories of businesses that built credit and expanded using equipment financing

- *A landscaping company that financed new trucks and equipment saw a 25% increase in revenue.*
- *Financing a \$100,000 piece of equipment can result in immediate tax savings, improving cash flow.*
- *A construction company that financed heavy machinery saw a 30% increase in project capacity within the first year.*



### Lessons learned and best practices

- *Businesses that successfully leverage equipment financing experience a 15-20% increase in operational efficiency.*



# Chapter 9: Conclusion &



## About US

Introduction to Me



- My name is Mike David, and I am dedicated to helping businesses like yours secure the Business financing needed to grow and thrive. working for a broker who has access to a variety of lenders specializing in business financing, I specialize in finding the best financial deals tailored to your unique needs.

## How I Help



- With just a simple one-page application, an ID, and a 15-30 minute phone conversation, I can guide you through the process of securing the best financial deal. I am dedicated to providing honest, professional, and supportive service to all my clients.

## Commitment to Clients



- I am committed to being honest and straightforward throughout the process, ensuring professionalism and a strong support system for all my clients.

## Services Offered

- Equipment financing for various industries (construction, healthcare, food services).

## Conclusion



- Contact us for a consultation or more information on equipment financing.

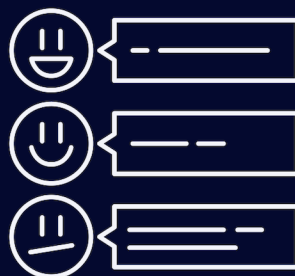
# Legal Safeguards



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