

# Business Credit for Startups





Business Buying Help

Pursue  
your  
American  
Dream



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# Business Credit



- This is **credit in a business's name and not the owners'**
- Personal credit does not matter
- The company's ability to pay is what the credit provider cares about
- It opens up a multitude of opportunities



# Business Credit

- Business credit is a brilliant solution for startup businesses
- You can get initial vendor credit immediately
- You can get store credit at places like Best Buy, Walmart, Amazon, and Dell within 90 days or fewer
- Plus you can **get cash credit of \$5,000 – 10,000 within 4 months or fewer**





# Business Credit Benefits



- Use business credit to fund your business
- You need business credit to go for loans
- You can get high limit accounts quickly
- This is **one of the fastest ways to get money beyond immediate funding**
- Note: Anyone can pull your business credit reports



# Business Credit Benefits

- You **don't need a personal guarantee or credit check**
- Business credit doesn't put an inquiry on your personal credit
- Therefore getting business credit won't adversely affect your personal credit scores
- Building good business credit can help you get loans later
- But first ...





## Your Startup Must be Legitimate to the Lender



- From the lender's perspective, they don't know your business
- It might be a hobby for all they know
- They don't know how serious you are about it
- **They don't know if you'll walk at the first sign of trouble**



## Building Business Legitimacy in your Startup

- A lender wants to see what they feel is a legitimate business
- **A startup has no to very little history, and that makes lenders nervous**
- It would seem to not be legitimate on its face
- But there are ways to demonstrate legitimacy







# Building Business Legitimacy: Your Phone Number

- Start with your phone number
- An **800 toll-free** (or other standard toll-free area codes, like 877) **number spells legitimacy to a lender**
- You can do this with a virtual phone number
- You can have this virtual number ring your landline or cell phone





# Building Business Legitimacy: Your Fax Number



- A fax number is also a sign of legitimacy
- *Plus you will often need one for credit applications*
- Do not give a personal cell phone or residential phone as your business phone number or fax number
- **A personal phone number may get you flagged as an un-established entity**



## Building Business Legitimacy: Your 411 Listing

- A 411 listing also spells legitimacy
- Your phone number must have a listing with 411 for most credit issuers and lenders to approve you
- Check your record at 411.com to determine if your small business has a listing, and that your information is accurate
- If your business does not have a listing, List Yourself, Yext, D&B Credit Builder can help you get your business a listing





# Building Business Legitimacy: Your Professional Website

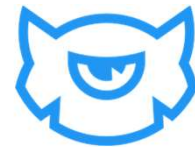


- A professional business website will also help
- A lender will get a lot of information on your startup from online
- **It's better if they get it from your website than elsewhere**
- A professional website should provide basic business information at a minimum



# Building Business Legitimacy: Your Professional Website

- You can use places like TemplateMonster.com and Upwork to get a site up cheaply and quickly
- It will look decent, from the very beginning
- You will eventually want someone to design your site
- But you can start with just the basics
- **Purchase hosting** from a service like Host Gator or Go Daddy



TemplateMonster





# Building Business Legitimacy: Your Business Email Address

- When you buy hosting, get at least a few business email addresses
- The addresses will then match your domain
- Never use a freebie provider like Yahoo or Hotmail!
- Check your email address:
  - **admin@yoursite or webmaster@yoursite or president@yoursite are all great**
  - Or use your name or a combination like a first initial and your surname, like jsmith@yoursite
- Don't use something like cutiepie73@yoursite





## Building Business Legitimacy: Your Business Entity and EIN



- Get an EIN (Tax ID number) from the IRS
- Decide on a business entity – sole proprietor is okay to start but you will probably want to change this to an LLC or a partnership
- **Having an EIN means you can start establishing business credit instead of leaning on personal credit**



## Get a D-U-N-S Number from Dun & Bradstreet

- A D-U-N-S Number is D&B's identifier for your company
- That way, they can tell Joe's Diner in Seattle from Joe's Diner in Tallahassee
- You can't start building business credit without it
- D-U-N-S Numbers are free







# A Good Consumer Credit Score Goes a Long Way

- You will probably tap into your consumer credit at the start
- **Pay your bills on time, and as fully as possible, every time**
- Keep bankruptcies and other negatives off your report
- Good consumer credit will open up more business credit opportunities





# Unsecured Business Financing

- No asset acts as collateral and the lender assumes a much larger risk
- None of the borrower's major assets can be seized if they default
- Because there's no collateral supplied, and they don't look or care about your cash flow either, all that matters is your personal credit



- With a 650, you'll only get personal cards;
- **With a 680 credit score, you'll get both**



# Unsecured Business Financing

- The company you hire works to get you **5 – 8 cards**, usually, of the best and highest-limit cards you can get
- They apply for them all at once, so they can get you 5 to 8 cards where if you applied on your own you'd only get 1-2 at the most
- They can usually get you 5 times the amount of your current highest limit account
- Multiple cards create competition, meaning you can get your limits raised typically within 6 months or fewer from initial approval





# Unsecured Business Financing

- If you can supply a personal guarantee, you can get UBF
- They will check your personal credit, so it's got to be good!
- But you can get \$25,000 - \$150,000 in 3 weeks or fewer
- You can get 0% rates for 6 - 18 months
- **Manage it responsibly and you can have excellent business credit in a mere 60 days**





## Develop Trade Credit



- Tradelines (trade credit) are when you get a 30 day (usually) time frame to pay for goods and services you use regularly, like coffee or toner supplies
- **You need tradelines which report to the credit reporting agencies**
- But even a tradeline which does not report might be helpful for a trade reference



# Tradelines which report to the Credit Reporting Agencies

- You want five of these in order to move onto the next step
- Here are three to get started:

- Uline
- Quill Office Supplies
- Wells Fargo Business Secured Credit Card



- Apply for credit
- You **may** be denied to start or may have to buy things you don't need
- **Pay on time, fully, every time**
- Consider donating unused items to charity



# Revolving Store Credit

**STAPLES**

amazon.com



**Office  
DEPOT**

- Got 5 tradelines and they've reported to at least one Credit Reporting Agency?
- Then you can apply for revolving store credit
- This is credit from places like Amazon, Best Buy, Staples, and Office Depot
- **You need your 5 starter vendor accounts first**
- Some of these companies have a time in business requirement
- This is another reason not to go to them for credit before you secure your 5 starter vendor accounts



# Fleet Credit



- **Got 10 revolving store credit accounts?**
- Then you can apply for fleet credit
- Fleet credit is to buy, repair, and maintain vehicles
- It comes from companies like Chevron and BP





# Cash Credit

- Be responsible with fleet credit and you can move onto cash credit
- This is Visa, MasterCard and the like
- If you have a \$10,000 limit with a store, you can get the same credit limit in cash credit
- **Keep your SSN off these applications so they pull your business credit reports instead**
- Therefore, use your EIN to apply





# Manage Business Credit Responsibly

- **Your business credit scores are mainly based on your payment history**
- Late and incomplete payments will directly and adversely affect your business credit scores
- Don't bite off more borrowing than you can chew
- Building a history of responsible payments will go a long way





# Business Credit for Startups



- If a startup can show legitimacy it helps the lender feel comfortable about lending
- Building business credit is a specific process
- **Your startup is your dream!** It might begin on your kitchen table and turn into a multinational corporation
- We can help: This is a proven path. We have helped over 15,000 Clients build business credit

**CONTACT US TODAY TO  
LEARN MORE ABOUT**



**BUSINESS CREDIT  
FOR STARTUPS**

<https://businessbuyinghelp.com>

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