

Dear Highly Skilled Business Owner,

Give your personal credit a break! Let us show you how to build Business Credit without a personal guarantee.

You deserve the expert help that Highly Skilled Workforce Inc can provide for you.

*P.S. Get your books in order! Stop sweating as Tax Time approaches! For a **small monthly fee**, we will be your Accountant and point of reference for payroll, invoicing, financial statements – All things accounting!*

FREE CONSULTATION – CALL US TODAY!

Visit our website: www.highlyskilledworkforce.com

Call us Toll Free: 800-755-6539

Email us: Catherine.sewell@highlyskilledworkforce.com



(678) 878-1817

Business finance and management consulting experts.

Helping you design success! Credit is the lifeline of successful corporations. Business Credit will take you to the next level in your organization's growth.

Contact Us

Yours truly,

Highly Skilled Workforce Inc.

How to Build Credit for Your EIN That's Not Linked to Your SSN

Business Credit is credit obtained in a *Business Name*. With business credit, the **Business** builds its own credit profile and credit score. With an established credit profile and score, the business will then qualify for credit. This credit is based on the business's ability to pay, and not the business owners. Since the business qualifies for the credit, in some cases there is no personal credit check required from the business owner.

You must actively work to build business credit.

But it can be done easily and quickly - much faster than building consumer credit scores. The vendor credit tier is a big part of this process. If you try to do the steps out of order, you will be turned down repeatedly. **Fortunately, we know the steps to take. And we know the order in which you need to take them.**

There are a ton of benefits that business credit provides, including that a credit profile can be built for a business that is completely separate from the business owner's personal credit profile. This gives business owners **DOUBLE** the borrowing power as they have both Personal and Business credit profiles built.

Business credit scores are based only on whether the business pays its bills on time. A business owner can obtain credit ***much faster*** using their business credit profile versus their personal credit profile. Approval limits are much higher on business accounts versus personal accounts which are yet another benefit. Per SBA, credit limits on business cards are usually 10 - 100 times higher than consumer credit.



The business can use its credit to qualify for retail credit tier cards like Staples, Lowes, Sam's Club, Costco, BP, Wal-Mart, even MasterCard, Visa, and AMEX. The business can also qualify for credit lines and loans.

When done correctly, Business Credit can be built without a personal credit check.

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Business credit can quickly be obtained regardless of personal credit quality. Plus most business credit can be obtained without the owner taking on personal liability, or a personal guarantee. This means in case of default, the business owner's personal assets can't be pursued.

Even though most don't know this, when a business owner applies for financing, their business credit IS reviewed. Not having established business credit will get an owner DECLINED for financing. There are no regulations that require lenders to notify the business owner of their reason for denial, so most never know.

One last benefit: business credit determines the rate and term someone pays and how much they'll get approval for.

Business Credit Building Step 1- Building Business Fundability

The perception lenders, vendors, and credit issuers have of your business will be critical to your ability to build strong business credit. Before applying for business credit, a business must insure it meets or exceeds all lender legitimacy standards. There are over 20 legitimacy points necessary for a business to have a strong, credible foundation.



It is very important that you use your exact business legal name. Your full business name should include any recorded DBA filing you will be using. Insure your business name is exactly the same on your corporation papers, licenses, and bank statements.

You can build business credit with almost any corporate entity type. But if you truly want to separate business credit from personal credit, your business **must** be a separate legal entity and not a sole proprietor or partnership. Unless you have a separate business entity (Corporation or LLC) you might be *doing business* but you are not *truly a business*. You need to be a Corporation or an LLC in order to separate personal from business.

Your business entity will also matter for taxes, and for liability in the

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event of a lawsuit.

Whether you have employees or not, your business entity must have a Federal Tax ID number (EIN). Just like you have a Social Security Number, your business has an EIN. Your Tax ID number is used to open your bank account and to build your business credit profile. Take the time to verify that all agencies, banks, and trade credit vendors have your business listed with the **same** Tax ID number.

Your business address must be a real brick and mortar building, a deliverable physical address. It cannot be a home address, or a PO Box, or a UPS address. Some lenders will not approve and fund unless this criterion is met.



You must have a dedicated business phone number that is listed with 411 directory assistance, under the business name. Lenders, vendors, credit issuers, and even insurance providers will verify that your business is listed with 411. A toll-free number will give your business legitimacy, but you must have a LOCAL business number for the listing with 411 directory assistance.

Lenders perceive 800 numbers or other toll-free phone numbers as a sign of business legitimacy. Even if you're a single owner with a home-based business, a toll-free number provides the perception that you are an even bigger company. It's incredibly easy and inexpensive to set up a virtual local phone number or a toll free 800 number.

A cell or home phone number as your main business line could get you **flagged** as an unestablished business that is too high of a risk. DON'T give a personal cell phone or residential phone as the business phone number. You can forward a virtual number to any cell or land line phone number.

Credit providers will research your company on the internet. It is best if they learned everything directly from your company website. Not having a company website will **severely** hurt your chances of obtaining business credit. There are many places online that offer affordable business websites so you can have an internet presence that displays an overview of your company's services and contact information.

It is important to get a company email address for your business. It's not only professional, but it also greatly helps your chances of getting the thumbs up from a credit provider. Setting up a business email address is just too easy and inexpensive to neglect.

One of the most common mistakes when building credit for your company is nonmatching business addresses on your business licenses. Even worse is when you don't have the **required** licenses for your type of business to operate legally. You will need to contact the State, County, and City Government offices to see if there are any required licenses and permits to operate your type of business.

State business, county license and/or permit, city license and/or permit and IRS filings listed correctly. Take the time to verify that main agencies (State, IRS, Bank, and 411 national directory) have your business listed the same way and with your **Exact Legal Name**. Also take the time to ensure **every bill** you get (power bill, phone bill, landlord, etc.) has the business name listed correctly and comes to the business address.

Business Credit Building Step 2- Getting Your Business Credit Reports

Go to the D&B website and get your free D-U-N-S number. This is how D&B gets your company into their system, in order to generate a PAYDEX score. If you have no D-U-N-S number, then there is no record and there can be no PAYDEX score.

Business Credit reports are offered by Experian, Dun & Bradstreet, and Equifax. You will first want to get a copy of your business credit reports to see what is being reported before you start your business credit building.

You can visit www.creditsuite.com/reports to access your business credit reports with Experian, Equifax, and Dun & Bradstreet.

Business Credit Monitoring

Know what is happening with your credit. Make sure it is being reported. Address errors as soon as possible. Get in the habit of checking credit reports and digging into details, not just scores.



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You won't need to get reports with all three, but you should at least have monitoring set up with Dun & Bradstreet, and possibly Experian.

Smart Business credit reports from Experian cost \$37 - 175. With these reports you can find out how many trade lines are reporting, see if you have a business credit score assigned, see if you have an active Experian Business Profile, and check on recent inquiries.

It typically takes more time to create a file with Equifax Small Business than D&B and Experian. This is because not a lot of vendors and credit issuers actually report to Equifax. Instead, most report to Experian or D&B. This is also why it's important to apply with the credit providers who report to Equifax when you find them. You can get set up for Equifax credit monitoring for as little as \$19.95 monthly.

Dun & Bradstreet offer a CreditMonitor product where you can get unlimited access to your D&B reports and scores for \$49 monthly.

IMPORTANT NOTE, if you do end up getting set up for this, you might get a call from Dun & Bradstreet Credibility. Keep in mind this is not actually Dun & Bradstreet; this is a completely separate privately owned company.

Do NOT purchase their *credit builder* program, no matter what they tell you. This is NOT something you need and NOT something you should pay for. This program only adds trade references to your report, but instead you will be building your business credit using real useable credit.

You can visit www.creditsuite.com/monitoring to access your business credit reports with Experian, Equifax, and Dun & Bradstreet.

Fix Business Credit

While monitoring, you may find errors in your reports. You can update errors or incomplete data as follows:

- D&B: <https://iupdate.dnb.com/IUpdate/viewIUpdateHome.htm>
 - Experian: experian.com/small-business/business-credit-information.jsp
 - Equifax: equifax.com/business/small-business
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Business Credit Building Step 3 – Getting to the Vendor Credit Tier

A business credit report can be started much the same as a consumer report commonly is, with small credit cards. The business can be approved for small credit cards to help them build an initial credit profile. These types of initial cards in the business world are commonly referred to as the **vendor credit tier**.

You must start a business credit profile and score with starter vendors. Starter vendors are ones who will give you initial credit even if you have no credit, no score, or no trade lines now. Most stores like Staples will NOT give you initial starter credit so DON'T even try applying. Most stores will NOT approve a business owner for business credit unless the owner has an established credit profile and score, just like in the consumer world. Vendor credit tier accounts must be used first to establish a profile and score, and then store credit can be obtained. It usually takes only 90 days or less to establish a score and profile with trade lines.

A vendor line of credit is when a company (vendor) extends a line of credit to your business on Net 15, 30, 60 or 90 day terms. This means that you can purchase their products or services up to a maximum dollar amount and you have 15, 30, 60 or 90 days to pay the bill in full. So if you're set up on Net 30 terms and were to purchase \$300 worth of goods today, then that \$300 is due within the next 30 days.

Always apply first without using your SSN. Some vendors will request it and some will even tell you on the phone they need to have it, but submit first without it. Most credit issuers ***will approve you without your SSN*** if your EIN credit is strong enough. If your EIN credit is not good enough, you might be declined and they then might ask for your SSN. No matter what ANY credit representative tells you, credit CAN be obtained based on your EIN only.

When your first Net 30 account reports your trade line to Dun & Bradstreet, the DUNS system will automatically activate your file if it isn't already. This is also true for Experian and Equifax.

You need to have a total of at least five (5) Net 30 day pay accounts reporting, and eight (8) is even better. Some vendors require an initial

prepaid order before they can approve your business for terms. Your vendors do not necessarily have to serve 100% of your business needs.

Starter Vendor #1: Uline Shipping Supplies

Find them online at uline.com. They sell shipping, packing, and industrial supplies, and they report to **D&B**. You **must have a D-U-N-S number, 2 references, and a bank reference**. Your first few orders may need to be prepaid to initially get approved for Net 30 terms.



Starter Vendor #2: Quill

Find them online at quill.com. They sell office, packaging, and cleaning supplies. They report to **D&B and Experian**. With reports to 2 separate credit reporting agencies, **you get 2 credit experiences with them!** You **must place an initial order first unless your D&B score is established**. Usually they put you on a 90 day prepayment schedule. If you order items each month for 3 months, they typically approve you for a Net 30 Account.

Starter Vendor #3: Gempler's

Find them online at: gemplers.com. They sell work supplies and products. They report to **Dun and Bradstreet**. Place your initial order for over \$50 and select the **Invoice me** option. Then they will pull your credit. If you are not approved, then make sure to **prepay for the order**. Keep purchasing and choosing the **Invoice me** option until you are approved for a Net 30 account.

Non-Reporting Trade Accounts

While you do want trade accounts to report to at least one of the credit reporting agencies, a trade account that does not report can still be of some value. You can ask non-reporting accounts for **trade references**. Plus credit accounts can help you to better even out your business expenditures, **making budgeting easier**. These are companies like PayPal Credit, T-Mobile, and Best Buy.



Business Credit Building Step 4 - Getting to the Retail Credit Tier

After 5 trade lines are established under the vendor credit tier, obtaining retail credit tier accounts is the next step. Retail credit tier accounts are cards have revolving terms. Therefore, a business owner can *use these cards and not be required to pay the full balance owed each month*.

Retail credit tier account approvals will begin coming from stores. Retail credit tier credit must be obtained before the business owner starts getting Visa, MC, Amex, type cards. Most stores will NOT approve a business owner for business credit unless the owner has an **established credit profile and score**, just like in the consumer world. Vendor credit tier accounts must be used first to establish a profile and score, and then retail credit tier cards can be obtained. It *usually takes only 90 days or less to establish a score and profile with trade lines*.

Most major retail stores offer business credit accounts, although they don't promote that they do. Major retailers including Walmart, Target, Best Buy, Amazon, Sam's Club, Costco, Staples, Office Depot, Lowes, Home Depot, BP, Chevron, and most other retailers all offer business credit. And most of these retailers will approve you for new credit once you have a **credit profile established**, have a good business credit score that results from you paying your bills as agreed, and once you have 5 payment experiences or more established on your business credit profile.

One example is Lowes. They report to D&B, Equifax and Business Experian. They want your company to have a D-U-N-S number and a PAYDEX score of 78 or better.

Business Credit Building Step 5 - Getting to the Fleet Credit Tier

With 8 - 10 accounts reporting, you can *move onto the fleet credit tier*. These are companies like BP and Conoco. This kind of credit is used to buy, repair, and maintain vehicles. Apply with your EIN and not your Social Security number.

One example is Shell. They report to D&B and Business Experian. They want your business to have a PAYDEX score of 78 or better, and a 411 business phone listing. They might say they want a certain amount of time in business or revenue. But if you already have enough trade lines, that won't be necessary and you can still get an approval.

Business Credit Building Step 6 - Getting to the Cash Credit Tier

Once 10 total accounts are on the credit report, an owner can then start applying for the cash credit tier. This is **Visa, MC, Amex type credit**. Approval amounts will be equivalent to the highest credit limit account on the business report. ***Try to have 10 accounts with at least one of them having a \$10k high limit.*** It is essential to **keep using the credit, keep applying for more, and talk with credit providers to raise credit limits.** If you do this, ***business credit will keep growing until higher limit credit lines are obtained, within 6 - 12 months.***



One example is the Fuelman MasterCard. They report to D&B and Equifax Business. They want your business to have a PAYDEX score of 78 or better, and 10 trade lines reporting on your D&B report. They will also want to see a \$10,000 high credit limit reporting on D & B report (other account reporting), and yours will need to be an established business.

Additional Retail Companies in the Retail Credit Tier

These are companies like Walmart and Dell, and also Home Depot, BP, and Racetrac. These are often MasterCard credit cards. If you have **fourteen (14) trade accounts reporting**, then these are within your reach.

Business Credit Building is Well Worth It

Building business credit is truly as easy as building consumer credit, once you know the proper steps to take. Now you know the 4 essential steps to take to build business credit that's linked to your EIN and not your SSN. Now the next step is to take action on the first step and make

sure your business is set up legitimately. As you are doing this *get your business credit report access established.* Then you can start building in the vendor credit tier to establish your credit profile and score so you can start securing retail credit tier accounts.

Good luck on building your business credit! Let us know if we can every help you in the process Catherine.sewell@highlyskilledworkforce.com Start Building Business Credit for Your EIN That's Not Linked to Your SSN – and Get Your Business Soaring If you are looking for business credit and financing to help your business grow, then we at Highly Skilled Workforce can help.

You can get weekly business credit and financing training tips by texting TIPS to 800-755-6539. Contact us today for more information and learn how to get started.