

FEATURING



essential  
strategies  
for every  
business

what lenders  
are looking  
for today

asset protection  
tips through  
business credit

**BUSINESS CREDIT 101**  
**THE GUIDE TO FUNDING APPROVAL**  
**& INCREASED CASH FLOW**

PRESENTED BY DAVID EMERY,  
FOUNDER & CEO

WORKBOOK



**BUSINESS CREDIT 101:**  
The Guide to Funding Approval  
& Increased Cash Flow

*from*



Copyright © 2017 Emery Advisory Group, LLC

All Rights Reserved

ISBN: 1548600520

ISBN-13: 978-1548600525





# CONTENTS

Module 1: Business Credit Basics .....	1
4 Big Reasons You Can't Afford To Ignore Business Credit.....	4
Credibility .....	9
Module 2: Dun & Bradstreet .....	19
How to Apply for a DUNS.....	21
Module 3: How Accounts Report .....	25
Module 4: Peter the Roofing Guy .....	31
Module 5: Professional Website & Email .....	35
Module 6: Intro To Experian And Equifax .....	39
Business Experian Scoring.....	39
How to Read Your Business Experian Report.....	44
Business Equifax .....	46
How to Read Your Business Equifax Report.....	48
Module 7: How to Build Business Credit Fast.....	51
Module 8: Monitor & Dispute .....	59
Module 9: Get Listed!.....	71
Module 10: Using Credit to Lower Your Costs .....	79
A Note From Dave.....	85
Glossary .....	87



# MODULE 1:

## BUSINESS CREDIT BASICS

### VOCABULARY:

**Business Credit:** credit that is established under a business name using an EIN number and not a personal social security number of an individual.

**Consumer Credit:** credit established under an individual's tax ID number (social security #)

**Bank Credit:** Bank credit is the amount of credit available to a business from the banking system. It is the gross amount of funds that financial institutions are willing to provide to a business.

**Revolving Credit:** credit that is automatically renewed as debts are paid off.

**Tradeline:** Credit accounts, which are reported to the credit reporting agencies. Each tradeline contains detailed information about the account.

### OBJECTIVE:

How to set up your business from a credibility point-of-view so you're ready to begin building business credit; to get you out of the cycle of needing expensive money and/or being declined by big banks and lenders that are legally not allowed to give you advice that improves your ability to be lendable.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## First things first...WHAT IS BUSINESS CREDIT?

*Business credit is credit that is established under a business name using an EIN number and not a personal social security number of an individual.*

## HOW IS BUSINESS CREDIT DIFFERENT FROM PERSONAL CREDIT?

With personal credit, there are the three big credit bureaus that collect and sell data on consumers, and then there is Fair Isaac that generates “FICO” scores for those consumers based on the data in their credit reports. If a consumer wants to get a loan, the loan and terms they are able to get will depend greatly on their credit score.

In the same way, business credit can help your business qualify for lending, as well as the terms of the lending. **However, the business credit system is COMPLETELY detached from the personal credit system.**

This means that:

- Business accounts won't be reflected on a person's personal credit.
- Personal credit won't necessarily affect a person's ability to obtain business credit (Note: Personal credit can affect your ability to obtain business credit, but the two aren't integrated automatically. A bank or lender might want to check your personal credit in addition to your business credit as part of an application process. There are sources, however, that will not require this.)

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- The companies that score business credit and maintain business credit reports and data are, for the most part, separate from those that manage personal credit data, reports, and scores.
- Business credit is based on the business's ability to pay back a loan, NOT on the business owner's ability to pay.

**REMEMBER: business credit and personal credit are separate.**

Your ability to get a loan on your personal credit is not generally affected by your business credit, and vice versa.

### **WHY DOES THIS MATTER?**

Sometimes businesses need outside money to fund new expansions and other big expenditures. For the business owner, having a strong business credit profile means that their borrowing power will probably be more than DOUBLE what it would be if they did not have business credit.

### **WHAT IS BUSINESS CREDIT USED FOR?**

Business credit can be used for a variety of things, such as:

- A convenient and simple way to order office supplies and manage expenses related to running an office.
- A large credit line for financing the day to day operations of a business
- Loans for funding new projects, products, marketing campaigns, etc
- Buying or leasing real estate for the operation of the business.
- A primary or secondary funding source for startup or expansion.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If it isn't obvious, the key here is that business credit is used for the business. In the same way, you should keep your personal finances separate from those of your business, you should also keep your personal credit separate from that of your business.

**Business credit should never be used for personal purposes.**



## **4 BIG REASONS YOU CAN'T AFFORD TO IGNORE BUSINESS CREDIT**

**REASON #1 Business credit is one of the quickest and easiest ways to get money to run your business.**

Businesses need money to operate. Sometimes that money can be difficult to come by. Business credit can provide a quick and easy way to get the funds needed for a wide variety of business scenarios, with minimal fuss and effort. This can be helpful with addressing common cash flow problems and other issues that a person might encounter in the course of running a business.

**REASON #2: Business credit is cheaper than personal credit.**

Ever wonder what it takes to get the REALLY good interest rates on loans, even when you've got bad personal credit? The answer is BUSINESS CREDIT. If a person isn't using business credit, they are probably using one of three things to finance their business venture:

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1. A credit card
2. A home equity loan
3. A unsecured personal loan

The real question you need to ask yourself before using your personal credit to finance your business is this:

*How much will each of these tools cost you in comparison with a loan based on the credit-worthiness of your business?*

The answer to that question is going to depend somewhat on your personal credit rating. This is where business credit really becomes cheaper than personal credit. If you have bad or less-than-desirable personal credit, then business credit is your answer. It is FASTER and EASIER to develop an excellent business credit score compared to a personal credit score.

**REASON #3: Having business credit will help to draw a hard line to distinguish between personal finances and business finances.**

There are MANY reasons to separate your personal finances from those of your business. By using your personal credit to finance your business venture, you are putting your personal credit and possibly even your home at risk. Why chance it?

Another reason to keep your business finances separate from your personal finances is for the simple reason of bullet-proof accounting. If your personal and business finances are muddled together---in the eyes of anyone from banks and investors, to the courts and the IRS---the legitimacy of your business, and in particular, of your would-be-protective legal structure will be questioned.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By not keeping your personal finances clearly and completely separate from those of your business, you may be opening up yourself to liabilities that your business entity is designed to protect you from.

It's not just about liability either. Failing to keep your personal credit separate from your business credit could cause future problems for your family—problems that you may not be able to foresee right now.

**Consider what would happen if:**

You decide to use your personal credit for your business. You ignore all the advice and information on business credit and instead use personal credit to finance your business. This works well for a while, but then the business loses momentum. The balances you were paying in full start to build, and before you know it, you have 3 credit cards maxed out. Your business is still able to operate and make the payments, but your credit cards are used to their maximum potential.

Say you need your personal credit for an emergency, such as for a medical procedure or to help a family member. You can't do it because you've used up your personal credit for your business.

What if your business needs more credit to continue operating, and your personal credit can't provide it? The business fails which kills your income, and even after finding a job to provide for your family, you are unable to pay the massive credit card bills that your business racked up. Creditors start coming after you for your business debts that you've put on your personal credit. Your credit is ruined. You file for bankruptcy.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Obviously, these are situations you should aim to avoid. The best way to avoid situations like this are keep your personal credit and finances completely separate from those of your business, to the greatest extent possible. Another scenario similar to the above that could hurt you is if you start having problems with your PERSONAL finances that affect your business. If you're accustomed to getting loans on your personal credit to finance operations and expansions for your business, the day may come when you run into personal credit problems and as a result you will be unable to fund important operations or expansions for your business. In this or the scenario described above, the problem remains the same:

*Mixing your personal and business credit has the potential to result in affecting the other in a negative way, and ultimately lead to your **FINANCIAL DOWNFALL**.*

The more connected your personal finances and your business finances are, the more likely it is that one will eventually end up harming the other. Using your personal credit for business can limit your families options in times of need. It can limit your business's options in times of need. In other words, it's bad for both your family and your business, so don't do it!

**REASON #4: The cost of doing business will be less in the long run.**

I've already covered the fact that business credit can be cheaper than personal credit. This makes the cost of operating your business less. But it goes further than that. Establishing business credit now will make sure you have the best interest rates on the best loans when you need them. It will also save you money on insurance, lease agreements, and more. Building and maintaining a solid business credit profile will reduce the cost of operating your business in the long run, and the results can be dramatic.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Look at it this way...

With business credit a person might save:

- \$50 per month in interest on a loan
- \$15 per month on insurance
- \$20 per month on lease payments

What does it all add up to? Look at the savings over the next 5 years:

**\$85 per month in savings x 12 months x 5 years = \$5,100**

That's over \$5,000 in savings! It is worth it to take the time to establish business credit **NOW**.

The risks and costs of relying exclusively on your personal credit for your business are huge. Take those away by establishing and using business credit, and the potential savings are dramatic.

Ask yourself the following two questions:

*Is it worth the trouble of establishing business credit to obtain at least \$50,000 to run your business?*

*Is it worth the trouble of establishing business credit to possibly protect and save your financial future and that of your family?*

Obviously, this is a no-brainer. The answer to both questions is "YES!"

**Business credit is worth it.**

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# BUSINESS CREDIT BASICS: CREDIBILITY

So now that you know about the importance of business credit, let's talk about how to build it and what credit vendors and lenders are looking for to determine if you are or are not lendable.

Building your credibility is essential to getting approved for business credit. When you insure your business is setup credible per creditor standards, you'll know you can get approved for business credit before you even apply.

## Step 1: Establish a Business Entity

Do you already have a formal business entity? If not, don't delay! There are so many benefits to being a business owner and without a formal business it is not possible to build business credit. There are several different business structures you can set up in the United States:

- Sole Proprietorship
- Partnership
- Limited Liability Company (LLC)
- S-Corporation
- C-Corporation

**For the purpose of building business credit, you need to have either an LLC, S-corp or a C-corp.**

So how do you decide between them?

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## LLC vs S-corp

With both LLCs and S-corps, the profits and losses pass through to the owner's/ shareholder's personal tax return. LLCs are a bit more flexible as far as how you're taxed: you can file as a sole prop, partnership, or even as an S-corp or C-corp, depending on what is most beneficial for you. In order to change the tax structure of your LLC, you will need to file an entity classification election (ECE) with the IRS after the setup of your LLC. Speak with our advisors today to learn more about this.

LLCs can have an unlimited number of owners and even be owned by another company. S-corps can only have up to 100 shareholders and all of those must be people (not companies).

Non-U.S. citizens/residents can be members of LLCs; S corps may not have non-U.S. citizens/residents as shareholders.

Required formalities for S corporations include: Adopting bylaws, issuing stock, holding initial and annual director and shareholder meetings, and keeping meeting minutes with corporate records.

## When to form a C-corp

If you are NOT a U.S. citizen and NOT a resident alien, you cannot form an S-corp so C-corp might be for you. If you want to have over 100 shareholders, you must also form a C-corp. In a C-corp, the owner(s) pay income tax on the profits and the business pays corporate income tax. Double taxation is a tricky issue. We highly recommend working with a corporate accountant no matter what tax structure you choose.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

So what do I choose?

For most small businesses, an LLC is going to an appropriate choice. An LLC gives you the flexibility to grow and also the flexibility to choose the most favorable tax structure for yourself. To give you some idea, out of all the businesses in the United States, less than 6% are C-corps and approximately 15% are S-corps.

If you're still not sure which type of company to choose, give us a call.



**Step 2: Federal EIN**

As an individual, you have a Social Security number for identification and taxation. Your business needs an identification number too. This number is called an “Employer Identification Number” or “EIN.” You need an EIN to open a business bank account, as well as build business credit.

*“But I already have an EIN number”*

Sometimes, there are circumstances where it is beneficial to get a new EIN number. You may need a new EIN if:

- You establish a new corporation
- You change your corporate name
- Your business is subject to a bankruptcy proceeding
- You operate as a partnership and bring on new partners

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## How do I get an EIN number?

Apply directly through the IRS. There is never a cost to obtain an EIN number from the IRS. Use the link below to be directed to the IRS website:

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

If you are not sure about your EIN number, or if you think you may need a new one, we can help you through the process. There is never a cost to obtain an EIN number from the IRS.



## Step 3: Business Bank Account

Your business needs to have its own bank account. Having a business bank account will allow you to keep your business funds separate from your personal funds for tax and legal purposes. Most lenders consider the start date of your business the day you open your business bank account, not the date on your Articles of Incorporation.

Commingling of funds and sharing a bank account:

- Is generally a red flag for lenders
- Makes it difficult or impossible to claim deductions at tax-time
- Does not protect your personal assets
- Leave you vulnerable in the case of an audit
- Appears unprofessional to other businesses and clients

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What are lenders looking for? One key factor that lenders are interested in is the average daily balance in your business account. If your account balance is consistently low, or you are overdrafting on the account, lenders will consider you “high risk.”

Within this program, we will teach you to use your business credit as a tool to manage and improve your cash flow. As you do this, you’ll be able to maintain a higher average daily balance, and keep this balance steady, as well.



### **Step 4: Separate Business Phone & 411**

Your business needs to appear as professional and legitimate as possible in order to be attractive to lenders and potential creditors. Your business must have its own phone number that is a real business or VOIP number, NOT a mobile or home phone. List it with 411 under the exact business name you are using.

The 411 Directory allows users to find businesses using the business name, address and phone number. Trade vendors will use the directory to verify a business as part of the underwriting process before they will extend a line of credit. Trade vendors and lenders can see if you’re using a home phone, cell phone, or other type of phone line. This small detail can sometimes mean the difference between approval or denial.

From a practicality standpoint, you can differentiate between business calls and personal calls. Most business owners spread their phone number far and wide--- on business cards, the Internet, phone directories, advertisements, and more. It’s wise to keep your personal phone lines private so you don’t open yourself to calls at all hours of the day and night in addition to robocalls, scammers, and spam.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Step 5: Physical Address (Not a home address)

The business needs its own physical address. Home-based businesses are considered high risk by lenders. Consider getting a virtual office with a virtual address. Do not use a home address, P.O. box, or a UPS box on your applications for credit and lending.

There are entire companies dedicated to offering small businesses virtual addresses. A few benefits can include:

- More professional impression
- Mail collection
- Receptionist
- Rentable meeting space

Still want to use your home address? Most lenders prefer that you have a physical address. If needed, you can use a residential address, especially when there are budget concerns. Just keep in mind that some lenders may not be interested in financing a home-based business. It is important that your business address shows the same on ALL business records.

Do NOT use a PO Box for your business address. Many lenders see this as a higher risk business address.

Already have a physical address? Make sure the address is correct across all platforms.



**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Step 6: Business Licenses

Virtually every business needs some form of license or permit to operate legally. However, licensing and permit requirements vary depending on the type of business you are operating, where it's located, and what government rules apply.

Reasons for licensure:

- Revenue tracking for taxation purposes
- Businesses that sell taxable goods or services also need a sales tax license or permit.
- Licenses and permits are used to protect the public and are required in federally regulated industries (aviation, firearms, alcohol businesses, etc.).
- Other industry licenses signify specific expertise. For example, if you run an in-home hair styling business, you'll need the same professional license that you'd need if you had a main street salon.

## Types of Licenses and Permits:

**General Business Licenses** - Obtained through your city or county government website; Renewed annually; Allows you to operate a business in that locality; Typically a small filing fee.

**Professional and Trade Licenses** - Obtained at the state level; Sometimes required for specific type of profession/occupation such as child care, chiropractic, or real estate.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Home Occupation Permit** - City and county level; Sometimes required for home-based businesses; You can find out if you need a Home Occupation Permit from your local zoning or planning office.

**Sales Tax Permit** - Required if you intend to sell taxable goods or services; You may have to collect both state and local sales tax; There may be different stipulations for online versus offline businesses and depending on nexus (nexus is “sufficient physical presence”).

**Health and Safety Permits** - Dependent on location and industry; May need a permit or inspection from your local fire department, especially if your business requires the use of flammable materials or you will have several people in one location (such as a restaurant or child care business).

**Sign Permits** - Local level; Some cities and towns have sign ordinances in effect that restrict the type, size, or location of signs placed on your property.

**Construction Permits** - Local level; If you need to make structural changes to your property to accommodate your in-home business, environmental and building permits may be required for construction. It’s a good idea to check your local government’s building and planning department before undertaking any construction.

*So do I need a business license or permits or not?*

**Click here to see what you need per state:**  
<https://www.emeryadvisorygroup.com/licensure>



**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **THINGS TO REMEMBER:**

Complete Credibility Steps before filling out any applications.

From this point forward, DO NOT give out your social security number, even if there is a spot on the application. You CAN leave it blank. Use your EIN exclusively.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# MODULE 2:

## DUN & BRADSTREET

There are three major business credit agencies:

- Dun & Bradstreet
- Business Experian
- Business Equifax

We are focusing on Dun & Bradstreet because they are the largest credit bureau in the world for business, and the DUNS Number is required by the majority of trade vendors and lenders.

Dun & Bradstreet, Inc. is an American business services company headquartered in Short Hills, New Jersey, that provides commercial data to businesses on credit history, business-to-business sales and marketing, counter-party risk exposure, supply chain management, lead scoring and social identity matching. Often referred to as D&B, the company's database contains information on more than 265 million companies across 200 countries worldwide. Dun & Bradstreet has been listed on the Fortune 500 and was one of the first companies to be publicly traded on the New York Stock Exchange (NYSE: DNB).

It's important to mention that you WILL get calls from Dun & Bradstreet Credibility Corp. Keep in mind this is not Dun & Bradstreet themselves, 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 does not actually build true credit like we are doing in this course.

Dun & Bradstreet Credibility Corp. is responsible for the aggressive sales and marketing of all of D&B's "credit building" and "credit monitoring" products.

### **Common phrases business owners will hear from D&B sales reps:**

*"You have inquires on your business credit. You need to purchase monitoring."*

*"Your business profile won't be activated unless you purchase this."*

*"You can't build business credit without this."*

**KEEP IN MIND THESE ARE SALES TACTICS.**

**How is your business Dun & Bradstreet business credit profile created?**

A D&B profile is created when the business applies for a DUNS number.

**What is a DUNS Number?**

A 9-digit number that identifies your business credit profile with Dun & Bradstreet.

**How do you apply for a DUNS Number?**

You have two options:

- #1 Sign up online through the free DUNS Number application
- # 2 Purchase D&B monitoring

D&B does give you the option to expedite a free DUNS Number request for \$49.99.

Typically most business owners find they can wait the average two weeks for the free DUNS Number.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# HOW TO APPLY FOR A DUNS

## **STEP 1** Prepare your information

When registering for your D-U-N-S Number, you will need the following on hand:

- Your Legal name
- Your official business name
- Physical address, city, state and ZIP Code
- Mailing address (if separate from headquarters and/or physical address)
- Telephone number
- Contact name and title
- Number of employees at your physical location
- Whether you are a Home-Based Business

## **STEP 2** Go to URL

Go to iUpdate: <https://iupdate.dnb.com/iUpdate/viewiUpdateHome.htm>

## **STEP 3** Register

Find the link on the left hand side of the screen to register to use iUpdate. Click “Start Now”.

## **STEP 4** Answer the following question:

“Are you currently attempting to do business with or receive funds from a U.S. Government Agency? If so, please click Yes to expedite filing.

Recommended that you click NO for now.

## **STEP 5** “Get Started, Locate Your Company”

Type in the name of your business, along with the city and state in which it is located. The name of the business must be spelled exactly as it appears on the articles of organization/incorporation.

**STEP 6** Search for your business

Click “Search”... Make sure the business is found. Do not select a business that is not EXACTLY the same as the one that belongs to you. Many businesses have similar names. Confirm once, again, that the business information is accurate then have the client select their business by clicking the check box on the left next to their business name and then click “NEXT”.

**STEP 7** ID Verification Personal Data Entry

You need to confirm your personal identity before you can continue to make sure you are the principal owner of the business. Required fields are marked with a red (\*) asterisk. Click “NEXT” when complete.

**STEP 8** Complete Security Questionnaire

Confirm SSN and other personal information. You also MUST create a password and 3 security questions. Click the 2 boxes to unsubscribe from the newsletter and to restrict D&B from sharing your information.

**STEP 9** Congratulations!

Click “Continue”... You will be at the main screen. Your DUNS number will be on the left hand side of the screen.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





# MODULE 3:

## HOW ACCOUNTS REPORT

### **How and when do business credit accounts report to the business credit agencies?**

Your business credit report is not private in the same way that your personal report is. We know that lenders and customers have access to business credit reports; but how is business credit established?

The first step in this process is applying for business credit. Once your business makes a purchase, it is the **payments** that are reported to the business credit bureau. **Trade lines do not report your purchases, only your payments.**

### **Accuracy is Key**

When applying for business credit, be sure to use your correct business information. The business name, address and contact information should match all of your business records exactly.

For example: on your business entity documents, if you spell out incorporated within the business name, you should spell out incorporated on all of your other documents, including your business entity filings, EIN#, licenses, etc. All of your information needs to match; this is a must.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Creditors compare the information they receive on your application with the information they find on your entity filings, EIN#, licenses, 411 directory, website, and other records. When all the data matches, it gives lenders peace of mind. One of the more common reasons creditors decline is because the information they receive and find on the business doesn't match up. This can reflect badly on your business and may result in lost clientele.

## **Pay attention to who is reporting**

It's important to note that **not all business creditors report** to business credit agencies. Most creditors check business credit but only a few report to build your business credit. Some creditors only report to one or two of the business credit agencies.

## **Follow Up**

Once you apply for credit, continue to check up on your application. The initial approvals or declines are typically an automated process. If you receive a decline at first, it is good to call the creditor and ask them to manually review your application. Oftentimes you will be able to turn a decline into an approval with a simple phone-call.

## **Making Purchases**

After the new credit account is approved you will make a purchase using your new credit account. Keep in mind that it is the payment to the credit account that is reported. Once your invoice or bill is credited, make an on-time payment. Late payments hurt your business credit and reputation.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Verify Your Information. And check it twice.**

Credit accounts aren't reporting using the EIN number or DUNS number. This is why it is so important that you use the correct business information when setting up your business credit reports and business credit accounts. If the information the creditor submits to the business credit agency doesn't match, it will either create an additional credit profile or not report.

### **Time Frame**

In general it takes 30 to 60 days for a payment to show on your business credit report. When your creditor reports to the business credit bureau, they submit the business name, address and credit experience.

Has it been more than 60 days and your new payment experience still isn't showing on your business credit report? Make sure both the creditor and business credit agency share the same correct business information. Make sure the creditor you used reports to the business credit agency. Remember that though creditors check business credit reports, they may not always make the report. Additionally, most don't report to all three business credit bureaus. Lastly, make sure you allow the full 30 to 60 days from the day of your payment.

### **Ask for Increases**

Once your business credit account reports and your business credit becomes established, it is a great idea to continue to apply for credit increases. Creditors all have different policies on how soon you can apply for an increase. Some will allow you to apply for an increase as soon as three months after your initial approval. Others require at least one year.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

As you establish your business credit you will find that creditors mimic your highest credit limit or go just beyond your highest credit limit. Applying for increases allows you to move that needle. In the long run this means your approval amounts will continue to increase.

## **Benefits**

Established business credit can unlock the doors towards credit approvals, approvals without a personal guarantee, and better terms with your suppliers. Established business credit also improves credibility with clients and prospects.

## **Is your business prepared?**

Anyone has the ability to pull your business's credit report. Make sure your business, and business credit, is ready.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





# MODULE 4:

## PETER THE ROOFING GUY

I want to tell you the story of one of my clients who was able to use his business credit to radically change his business and his life.

Peter was one of our first clients to go through the Business Finance Suite. Peter is a roofer working in New Mexico. He had men working for him who he paid via 1099. When we got in touch with Peter, he told us that he had operated his small business the same way for years and felt unable to get ahead.

Peter was living paycheck-to-paycheck, and often wasn't even able to take money out of his business to pay himself after all his expenses were covered. He was the kind of guy who liked to use cash for as much as he could.

This meant that he could never qualify for credit, and as a result, he always financed his own projects. The downside to this, is that it meant he could never bid on the kinds of larger jobs that he would have liked to---the kinds of jobs that he knew would help him get ahead financially.

Because he was paying out-of-pocket for all the materials for his projects, he was constantly operating with limited liquid cash. His business checking account seemingly always had a low balance, and it was normal for Peter to bounce at least one check every month, if not more.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Despite the fact that Peter and his guys were always busy, Peter never felt successful. In fact, after working this way for years, he began to feel like a slave to his own business.

Peter looked for solutions online and even tried getting a cash advance, but his personal credit was too low. Eventually, he heard about business credit from a fellow business owner, and Peter was surprised to learn that this company had a credit score, just like he did as an individual.

Unfortunately, even though Peter had owned his business for years, he had never cultivated his business credit, so when he checked with Dun & Bradstreet he found that they had nothing listed on him.

But now that Peter knew about business credit he knew that he had to learn how it worked. That's when I first spoke with Peter. In our initial phone conversation, I shared with him that he was right and that business credit could indeed be the solution he was looking for. You see, even though his business had no established credit, it also didn't have any bankruptcies, divorces, unpaid loans, or UCC filings. In fact, none of the unfortunate financial decisions that he had made in his own personal life would affect his business credit. He would be able to start fresh.

We worked with Peter for five months until he reached the point where he was able to get a commercial account with a major home and building supply chain.

This was a major step for Peter because it meant for the first time he would not have to dip into his business account to front the costs of his project.

That very month, Peter successfully bid on a job that was over six times larger than the average job he was used to taking. Because he hadn't used up the cash in his business account, he felt comfortable hiring on two more guys to help him.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

And what was Peter’s favorite part? All the materials were delivered to his job site. He didn’t have to spend half a day shopping, loading and unloading the truck!

Fast forward, a year later, and Peter has a second work truck that he was able to lease based on his good business credit, and he is able to double the amount of projects he can take on at once.

Peter learned the key lesson when it comes to utilizing business credit for growth. That is---rather than trying to grow your business through addition, leverage business credit, and one can grow through multiplication, which is much more powerful.



**THINGS TO REMEMBER:**

How could you use business credit to multiply your business?  
Be specific, and set some goals for yourself.

For example, do you need a new piece of equipment or a vehicle for your business? Would you like to be able to take a vacation in 6 months or a year from now? How having access to credit and funding can help you achieve these goals?

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# MODULE 5:

## PROFESSIONAL WEBSITE & EMAIL

According to a 2013 Google and Ipsos survey of more than 3,800 small businesses, 55% of small businesses don't have a website. "It's just ridiculous," says Jim Blasingame, a small business author and radio show host. "Every small business needs a website. Period. Nonnegotiable."

41% of companies without websites say their business "does not need a website." This is a dismissal, not a reason. Some reasons business owners give for not having a website (and you may have said these yourself) are:

*"I'm not sure how it would help my business."*

*"It seems too time-consuming, confusing, expensive, etc."*

*"I'm doing just fine without it."*

*"I've never needed one before."*

*"I'm not tech savvy."*

*"I don't know how I could handle more business if it grew suddenly."*

*"I'm just too busy."*

**NOTES:** \_\_\_\_\_

---

---

---

---

---

---

---

---

---

---

Any of these sound familiar?

If this is you, consider how having a website will help you.

A website is a digital portrait of your business. These days, it is often how new customers and clients generate a first impression of your company. Even if you're used to dealing with clients locally, 9 out of 10 will want to visit your website just to "check you out." Many of these people will look you up on their mobile devices right after they met you. They may like your Facebook page or bookmark your website to save for later, making a connection to you that might result in potential sales. If you don't have a website, you're essentially a ghost.

*"I'm afraid to grow too quickly."*

If you're afraid that having a website would suddenly present you with too much business to handle--well, first let's agree that that's a good problem to have!

Having a website to direct traffic to can also cut down on time-consuming phone calls. How many times a day does your phone ring and you get asked the same questions over and over? Asked for a quote when you're away from your desk? Interrupted when in the middle of a task?

For some business owners, just the number of hours saved from not fielding phone calls would justify the cost of a website! For others, the ability to manage their work flow better and only respond to customer requests at a certain time of day would take a lot of stress out of their life and let them manage their business more effectively.

It's easier than ever to set up a website for your business. Likewise, you should have a professional email your clients can reach you at versus a personal email.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# How does having a website affect my business credit?

One of the first things a trade vendor or creditor does is look you up online.

Why do they do this?

Because it's easy to put down anything on an application. Anyone can claim to be in another industry or sell a different product or provide a different service.

However, lenders know that you are much less likely to lie to your client base than to them. So the best way for a lender to determine if you're telling the truth is to visit your website and see what you advertise to your clients.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# MODULE 6:

## INTRO TO EXPERIAN & EQUIFAX

### BUSINESS EXPERIAN SCORING

Business Experian, like Dun & Bradstreet, is one of the three credit reporting agencies for business.

We are already familiar with D&B, but did you know that Experian provides business credit evaluations for over 27 million small businesses and corporations worldwide?

Experian's most recent score system is known as "**Intelliscore Plus.**" They boast that this is the next level in credit scoring. Intelliscore Plus is advertised as a highly predictive score that provides a very detailed and accurate reflection of a business's credit risk.

It was put into use in 2008 and uses hundreds of variables to calculate a score on a scale of 0-100. Although the score uses the same scale as D&B's Paydex score, it is calculated differently.

While the Paydex rating from D&B solely reflects your business's payment history, the Experian Intelliscore is a **percentile score** that reflects the percentage of businesses that score higher or lower than the specific business being rated. For example, if the business has a score of 20 this means that company scores better than 19% of other businesses but it actually scores worse than 80%.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# EXPERIAN INTELLISCORE PLUS BREAKDOWN

SCORE	RISK CLASS	RISK DESCRIPTION	RISK RATE
76-100	 1	LOW	1.7%
51-75	 2	LOW - MED	4.4%
26-50	 3	MEDIUM	10.0%
11-25	 4	MED - HIGH	19.1%
1-10	 5	HIGH	50.8%

**NOTES:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# EXPERIAN FSR SCORE BREAKDOWN

SCORE RANGE	RISK CLASS	BAD RATE
66 - 100	1	0.55%
31 - 65	2	1.11%
11 - 30	3	2.95%
4 - 10	4	10.00%
1 - 3	5	35.27%



**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## What is considered when scoring through Experian?

When scoring your business, Experian claims that they are using over 800 aggregates or factors such as firmographics, public records, collections and trade information.

All you need to do to establish a report with Business Experian is to have one or more active trade lines that report to Experian.

As always, when applying for business credit with lenders, it is important that you select lenders that report your on time payments.

Make sure you fill out the application using correct business information, the same information that is listed on your business records. Creditors will go through an approval process to verify the supplied information on the application with your business records and your existing business credit reports.

Sometimes a creditor doesn't approve the first time. It is important to follow up with the creditor to find out why the business wasn't approved. Sometimes a phone call and manual review will turn a decline into an approval. The initial response is typically generated from an automated underwriting process.

As you review your full business credit report with Experian, you can reference the example business credit report below. It is important to familiarize yourself with the business credit scoring model since every business credit reporting agency has a different scoring model.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# EQUIFAX CREDIT RISK SCORE BREAKDOWN

## SCORE RANGE

90 - 100

80 - 89

60 - 79

40 - 59

20 - 39

1 - 19



## PAYMENT HISTORY

Paid as agreed or early

1-30 days overdue

31-60 days overdue

61-90 days overdue

91-120 days overdue

Obligations are 120+ days past the agreed due date

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Use this link to view a **SAMPLE REPORT:**

<https://www.emeryadvisorygroup.com/experian-sample-report>

## How to Read Your Business Experian Report

Once you have purchased your business Experian credit report, you will be able to login and access your account.

**The first section** of the business Experian report covers your Business Credibility, and contains the following: business name, address, phone number, DBA(s), EIN#, business type, date incorporated, associated businesses, key personnel, NAICS and SIC codes, years in business, employees, sales filing data, and the year the Experian file was established.

**The second section** provides a report outlining the number of days beyond terms, comparison to industry standard, balances for various amounts of time, median and highest credit amounts extended, totaled records of payment tradelines, inquiries, UCC filings, bankruptcies, liens, judgments, and collections.

**The “Credit Summary”** is where the general score assigned to the business can be found. Since business credit differs from personal credit, the largest determining factor is whether or not payments are made in a timely manner. Experian business credit factors in other variables as well, such as new accounts. This may cause the score to fluctuate; however, lenders tend to be most concerned with payment history and whether payments are made on time. Various graphs are included which map out the score trends.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Trade payment information is kept in a separate section. This section lists payment details and displays the general industry of the supplier. Business credit agencies do not list the name of the reporting creditor, only the general industry. For example, if a company purchases Apple computers, the supplier category will simply read “computers”.

The following section contains the reported date, activity date, payment terms, recent high credit, balance, and whether or not payments are current.

The remainder of the report contains information on additional payment experiences, payment trends, inquiries, collections as well as banking, leasing and insurance.

Additional payment experiences refers to non-trade accounts which are typically banks and leases. Payment trends are added up according to month and can be viewed in this section and in the banking area you will find a list of all leases, judgments, liens, and UCC filings.

The bottom of the Experian report outlines ways to improve your credit score.

**Knowledge is power!**  
**Monitoring your business Experian report will help your business succeed.**

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## BUSINESS EQUIFAX

Earlier, we mentioned that Dun & Bradstreet is the largest credit bureau for *business credit* in the world. In regards to consumer credit, Equifax is the oldest and largest credit bureau in existence today, originally founded in 1898, 70 years before TransUnion.

Even though Equifax deals with majority consumer credit, it also offers business reports, though not nearly to the extent of D&B and Experian.

Equifax boasts over 400 million consumer credit reports in their database, as well as millions of business reports. Equifax offers a number of different business credit scores.

The “**Credit Risk Score**” predicts the likelihood of a business incurring a 90 days severe delinquency or charge -off over the next 12 months.

The “**Business Failure Score**” predicts the likelihood of a business failure through either formal or informal bankruptcy over the next 12 months.

Their “**Payment Index**” provides a dollar weighted index of a business’s current and past payment performance based on all payment experiences in the Equifax Commercial database. This is similar to the D&B Model.

They also offer a business scoring model known as the “**Equifax Small Business Enterprise.**” This model is designed for companies that provide goods and services to small businesses---companies you may wish to do business with in the future. This model allows Equifax to detect early signs of trouble by monitoring key customers, suppliers and partners.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Just like with Experian, your Equifax report is created as creditors and vendors report payment history to the agency. If you do not have an Equifax report, this simply means you have no tradelines that report to Equifax. Remember that it can take a minimum of 30-60 days for your payments to show on your credit report.

If your business is listed, make sure that they have the correct business information including the business name and address. If the information listed is incorrect or if you have duplicate files, please contact your advisor so we can assist you with updating the report.

It is also important to make sure that you update the information with any reporting vendors. Often times, the incorrect information reporting on a business credit report originates from a vendor or credit account that has the incorrect business information.

We do recommend that you sign up for monitoring with Business Equifax at some point so you can verify the information on your business credit report is correct. You will be able to verify the dollar amounts reporting and additional items like UCC, Lien, Judgements or other filings.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Search for your company on Equifax

<https://www.emeryadvisorygroup.com/equifax-search>

## How To Read Your Business Equifax Report

First purchase and log into your Equifax business credit report.

Let's start with Business Credibility

This is the first section of the Equifax report. It lists the business name, address, phone, and Equifax ID. Equifax has the least amount of business information on their reports. It's very basic and received from the reporting creditors.

Towards the bottom of the report, it does outline the owner and guarantor names, any DBA names and the date the report was established.

Next, the report outlines various scores. Creditors are most concerned about a business's making their payments on time. That said the credit risk score outlines multiple factors including timely payments, length in time of oldest account, credit limits & company size.

Equifax is the only business credit report that has a three digit score.

The Payment index reflects the average time it takes for the business to make payments.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Lastly, the Business Failure Score outlines the probability that the business will fail.

Equifax gives us the smallest amount of payment data by simply totaling all experiences together under the Bureau Summary Data section.

Financial and Non-Financial are separated out. Financial includes bank financing and Non-Financial refers to trade accounts.

Trade accounts are store or supplier credit accounts. For example, a business account at Staples office supply is considered a trade account.

You will see that the oldest account date, number of charge-offs, total past due, most severe status, single highest credit limit, total credit exposure, median balance & average open balance are all itemized.

Then any public filings are totaled listing bankruptcies, judgments, and liens. To expand for more detail, you can click on “show”. Keep in mind even if items are paid or discharged can still have a negative impact on a creditor’s decision.

You can dispute any items right from your monitoring report.

The Equifax business credit report is the simplest of the three major business credit bureaus.

**Now you know! And knowledge is power.  
Monitor your business Equifax report.**

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# MODULE 7:

## HOW TO BUILD BUSINESS CREDIT FAST

### STEP 1: GET APPROVED FOR VENDOR CREDIT

Almost all business credit profiles get started with vendor credit. This is credit offered by vendors to business owners that reports to the business credit reporting agencies.

It's important to note that over 90% of trade credit, or vendor credit, reports to the reporting agencies. So it's essential that you verify with the source that they do report before applying.

This checklist will help you check off items that are needed to build business credit, but this isn't a full guide on how to build business credit. So you will need to do some research on your own to locate vendors that work for you, or consider getting access to our full Business Finance Suite at:

**<https://www.emeryadvisorygroup.com>**

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Here's a checklist of what you need to get approved for initial vendor credit:

1. Locate 3-5 vendors who do report to the business credit reporting agencies, preferably ones that report to either D&B or Experian.
2. Apply for vendor credit with them without supplying your SSN. Many will ask for this, but if you have some credit established or buy products initially from them, in most cases you can get approved without supplying your SSN.
3. Purchase their products, or submit a few orders first through the source paying out-of-pocket first, then keep trying to apply for their vendor credit line. Some sources will give you 30 day net terms if you just buy their product, others might not approve you until you've submitted three orders with them and paid out-of-pocket first.
4. Use your newly approved credit to buy items from that vendor for \$50 or more.
5. Pay your bill timely, preferably early. Your business credit scores look mostly at how you pay the bill, early or late. The earlier in a billing cycle you pay the bill, the higher your scores will be. So make sure that you pay your bills as soon as your bill is received.
6. Check your business credit reports to insure your new accounts are reporting. D&B claims this can take between 1-3 reporting cycles, or 30-90 days. So monitor your reports until you verify your new items are reported.
7. Establish three payment experiences. A payment experience is the reporting of an account to one reporting agency. So if your new account reports to two agencies, which would qualify as two payment experiences. You'll need a total of five reported payment experiences to start getting approved for store credit.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## STEP 2: GET APPROVED FOR STORE CREDIT

One of the biggest benefits of business credit is that you can use it to get approved for real revolving credit at most major stores. Best Buy, Amazon, Walmart, Target, Staples, and most other major retailers all offer business credit that's linked to your EIN not your SSN.

To get approved you'll first need to have an established business credit profile and score. This is why you took the prior step and established your vendor accounts. Once you've done this, you'll have reported payment experiences, have an established score, and an established profile you can use to start to get revolving business credit.

Remember, this checklist will help you check off items that are needed to build business credit, but this isn't a full guide on how to build business credit. So you will need to do some research on your own to locate stores to apply with and their approval requirements, or consider getting access to a full business credit building course at:

**<https://www.emeryadvisorygroup.com>**

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Here's your checklist of what you need to start to secure revolving store credit:

1. Insure you have **five payment experiences** reporting to the business credit reporting agencies.
2. Insure you have an established business credit **profile and score** with at least D&B and Experian.
3. **Locate** the stores you want to apply for credit with.
4. Contact them by phone, or check their website, and **find out how to apply** for each source to get credit for your business.
5. Do research, even ask each source if they know what's needed or required for approval. Many will require that you have an established business credit profile and good score for approval, which you did in the prior step.
6. Complete the store credit business application, and leave your SSN off of the application. Please note, ALL applications will ask for your SSN. But with established business credit they'll pull your EIN credit instead, and if it meets their requirements then they'll approve you anyways... without your SSN even being supplied, which means there is no personal credit check.
7. Purchase their products using your newly established business credit accounts.
8. Pay your bill timely, preferably early. Remember, your business credit scores look mostly at how you pay the bill, early or late. The earlier in a billing cycle you pay the bill, the higher your scores will be. So make sure that you pay your bills as soon as your bill is received.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Check your business credit reports to insure your new accounts are reporting. D&B claims this can take between 1-3 reporting cycles, or 30-90 days. So monitor your reports until you verify your new items are reported.

10. Establish a total of 10 payment experiences, including vendor and revolving credit. Remember, a payment experience is the reporting of an account to one reporting agency. So if your new account reports to two agencies, which would qualify as two payment experiences. You'll need a total of 10 reported payment experiences to start getting approved for cash credit.

**STEP 3: GET APPROVED FOR CASH CREDIT**

One of the main goals of establishing business credit is that once established you can use it to get cash credit such as Visa, MasterCard, Discover, and AMEX accounts. Once you've followed the proper building steps it's common to be able to secure \$5,000, \$10,000, or even higher individual credit cards for your business, cards you can use mostly anywhere.

Here's your checklist of what you need to start to secure revolving cash credit:

- 1. Insure you have 10 payment experiences reporting to the business credit reporting agencies.
- 2. Insure that at least one of your reported accounts has a high limit of at least \$10,000.
- 3. Insure you have an established business credit profile and score with at least D&B and Experian.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Locate the cash credit you want to apply for credit with. These types of accounts aren't readily available, so you'll need to do some research to find out who can give you cash credit for your EIN that's not linked to your SSN.

5. Contact them by phone, or check their website, and find out how to apply for each source to get credit for your business.

6. Do research, even ask each source if they know what's needed or required for approval. Many will require that you have an established business credit profile and good score for approval with 10 reported payment experiences and at least one account with a limit of \$10,000 or higher for approval.

7. Complete the cash credit business application, and leave your SSN off of the application. Please note, ALL applications will ask for your SSN. But with established business credit they'll pull your EIN credit instead, and if it meets their requirements then they'll approve you anyways... without your SSN even being supplied, which means there is no personal credit check.

8. Use your new credit to purchase wanted or needed items for your business.

9. Pay your bill timely, preferably early. Remember, your business credit scores look mostly at how you pay the bill, early or late. The earlier in a billing cycle you pay the bill, the higher your scores will be. So make sure that you pay your bills as soon as your bill is received.

10. Check your business credit reports to insure your new accounts are reporting. D&B claims this can take between 1-3 reporting cycles, or 30-90 days. So monitor your reports until you verify your new items are reported.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





# MODULE 8:

## MONITOR & DISPUTE

### CREDIT MONITORING SERVICES

There are many options for monitoring your business's credit.

Your business credit report and score are dynamic. They constantly change based on a variety of criteria, including the number of reported business credit transactions, outstanding balances and whether or not you pay on time. As you progress through this program, **we do recommend some type of monitoring to measure your progress and detect inaccuracies before they become a problem.**

In most cases, credit monitoring will also allow you to see who is making inquiries on your report. In other words, you will be prepared by knowing what suppliers and creditors will see if and when they pull your business credit report.

Learning how to read a credit report can also help you determine if you want to do business with others. By monitoring the credit activity of business customers, partners and suppliers you can better plan for issues before they become a big problem.

Early identification of potential risk enables you to adjust payment terms, diversify revenue streams, engage new partners, or find backup vendors to provide critical goods and services.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your business credit profile is often the basis for decisions others make about your company.

**It is used to determine how much money lenders will loan you, how much credit suppliers will extend to you, what interest rates you'll be charged and what you'll pay for insurance premiums.**

Think of it like a report card for your business. Make sure you know what your report reflects and that it's accurate so you don't miss out on opportunities.

By keeping a close eye on your credit you can also identify suspicious activity before it's too late. Business identity theft and fraud-losses cost American companies billions each year. Both can negatively impact cash flow, cause problems with creditors and suppliers, and even affect your business's reputation. A great way to help protect yourself and your business is to regularly check your company's credit report for unusual activity that might indicate fraud.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# MONITOR YOUR BUSINESS EXPERIAN REPORT

Keeping a close eye on your business credit report is essential for remaining in good standing, and will make getting future credit easier. The process is simple; however, you will have to choose the type of report that is right for you and your business.

There currently isn't a single service that allows you to monitor all of your business credit reports with each business credit agency. This means you will have to purchase business credit reports separately with each business credit agency for each business account you maintain. This may require more accounting time on your end, but the peace of mind is worth the effort.

Business Experian offers three different monitoring options, depending on your overall business needs.

To purchase Business Experian monitoring, you will first search using your business name and information. The search will bring up the closest matches to your business. Select your business profile to continue.

If you have multiple profiles or inaccurate information listed, use our additional training segments to learn how to combine or modify the business credit report. Be sure to correct these issues promptly to avoid confusion later on.

Click next to your business profile, then select the business credit monitoring package that is best for your business. Three report options are currently available.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The **CreditScore<sup>SM</sup> Report** offers the least expensive monitoring option. It is a full report but does not include tradeline info or inquiries.

The **ProfilePlus<sup>SM</sup> Report** includes the basic monitoring but also includes the trade line info and inquiries.

The **Business CreditScore<sup>SM</sup> Pro Subscription Plan** includes the basic monitoring, trade line info, inquiries and alerts, and it allows unlimited report refreshes. A report refresh means that you can pull a new, up-to-date business credit report anytime throughout the year. The first two options, Business Credit Score report and Profile Plus report, are only single, one-time reports.

For long-term monitoring, we recommend the **Business Credit Advantage<sup>SM</sup> Subscription Plan**. Your credit information needs to be updated regularly for accuracy and peace of mind, and can be more affordable than repeated one-time purchases.

Once you make your purchase, you will continue to effectively monitor your Business Experian report, as often as needed to ensure your business credit is in good standing. You will have the tools you need to spot and correct errors quickly, and it will protect your business's credit health.

<p><b>MONITOR EXPERIAN</b> <a href="https://www.emeryadvisorygroup.com/monitor-experian">https://www.emeryadvisorygroup.com/monitor-experian</a></p> <p><b>MONITOR EQUIFAX</b> <a href="https://www.emeryadvisorygroup.com/monitor-equifax">https://www.emeryadvisorygroup.com/monitor-equifax</a></p>
--

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# MONITOR EQUIFAX

Since information can vary between the bureaus, it's vital you receive data from all three, so you know exactly where your business stands. Equifax offers only one option for business credit monitoring.

Business Equifax Credit Monitoring is just \$19.95 each month, and you can cancel the service at any time without penalty.

Setting up Business Equifax Credit Monitoring is easy. There are no software systems to install, and no commitments to supply account data. Once you start the sign-up process for the service, you'll be asked for information to help Equifax locate your business. Once your company has been identified, you will then be able to complete the purchasing process. If we find multiple reports for your business because of name variations and other issues, we'll help you combine all your reports into one.

Duplicate reports can be a major concern when applying for lending so take time to ensure you locate possible duplicates. You can contact your advisor team to assist you.

Equifax will also send you alerts when there is a dip in your business credit as well as alerts for new negative information on your business credit report so you can take action and prioritize your risk. Be on guard against fraud every minute of the day, before major damage is done to your company and its reputation. Monitor your company's financial health and standing in real time with Business Equifax Credit Monitoring today.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# FIXING INACCURACIES ON YOUR CREDIT REPORT

What is the first thing you should do to grow your credit score, now that tradelines are reporting to the credit bureaus on your behalf?

The best place to start is preventing business credit report inaccuracies. But how can you, the business owner, prevent inaccuracies on your business credit?

The answer is straightforward; **set up your business credit accounts correctly in the first place.** Your business credit reports are typically created when your creditors (tradelines) report payment history back to the business credit agency. The information you use to set up your account with the creditor will be the information that is reported. This is another way in which business credit is not like consumer credit.

When your business creditors report your payment history, they are reporting the business name, address and payment data. This means if you use multiple variations of your business name or business address, you could have multiple business credit reports with each agency!

Duplicate reports can result in conflicting information which could harm your chances of getting funding during the underwriting process. By using the same information on all business credit accounts, your payment data will match up and build a single business credit report.

For example: if you use “ABC Builder Inc.” with your lumber supplier but “ABC Inc” with your office supply store, you will have two separate business credit reports because the business name you used with each company is different.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your business records should all list the same & correct information. This includes your entity documents, bank account, licenses and so on.

An example where this might need to be addressed would be if your business recently had a change of address and no longer matches the business address you used to set up your business checking account. In this instance, you should make sure to use your current address with all vendors and also contact your bank and update any information that has changed. DO NOT continue to give out your old address to vendors.

Likewise, it is important to monitor your business credit reports. Business credit is different than personal credit, but just like it is important to monitor your personal credit reports you should also monitor your business credit reports to track changes. This is your best defense against inaccuracies.

Now that you have done all you can to prevent inaccuracies, what can you do to clean up any inaccurate information now?

Start with your creditors/tradelines.

Update your business name, address and contact information with each business creditor so they are uniform. As they report corrected information it will likely update your business credit report.

For example, if you have a business credit account with Staples office supply but you noticed it was originally set up using the wrong business phone number, you can update the number to reflect the correct information.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# READING YOUR DUN & BRADSTREET REPORT

By learning how to read your D&B report, you'll know if your business's credit rating is healthy and if there's anything you need to correct to ensure your credit is reported accurately.

## What to look for...

To build your business credit strategically, you must know how to read your D&B report - to understand what it contains and how to use this information. When considering your business for a loan or the appropriate interest rate assigned to this loan, banks or other lending institutions may use this report to determine your creditworthiness. You should thoroughly inspect your D&B to confirm all the information reported is completely accurate, including:

- All credit sources are being reported
- Any late payments posted
- Posted Uniform Commercial Code (UCC) filings
- Posted liens, judgments or bankruptcies

## Getting started

To begin tracking your business's credit, you first need to sign up for D&B credit monitoring. There are several monitoring packages to select so please review the previous D&B credit monitoring segment for more details about each option. Once you have established your monitoring log in, you can view and dissect your most recent D&B business credit report. This report covers your business credibility, Paydex score, Credit Score Class Summary, Financial Stress Summary, Public Filings and banking and finance information.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Business credibility

Your business information is the first item that defines credibility on your business credit report. You should see the business name and address listed first. Check this information carefully for accuracy. Then, scroll through and verify the business telephone, chief executive information, year the business started, number of employees, financial statement date, state financial data, Standard Industrial Classification (SIC) Code and line of business.

Next, scroll down to the history and operations section to find the date the information was reported. Then, verify information about your company’s officers, including the short summary related to each officer. Look over the list outlining any affiliate relationships under Corporate Family - this names businesses directly affiliated with your company and typically owned by the same officers.

You should also ensure the year the business was started and the percent of stock ownership are also correct. You’ll find this in the business registration section, which outlines all the information found on your business entity Secretary of State filing. This includes entity type, date incorporated, the state where the business is located, filing date, stock shares and more.

The next section outlines operations, which includes a general description, additional telephone numbers, number of employees and facility information, including locations and branches. Below this, you’ll find your SIC code and North American Industry Classification System (NAICS) code. These numbers identify your general business industry. The SIC code is a four-digit code that identifies your company’s primary business activity, while the NAICS code further identifies your line of business and is the business classification standard used by Federal statistical agencies.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Paydex score

Although similar to an individual’s personal credit or FICO score, the Paydex score is different in that it simply defines whether your company pays its bills on time. The D&B Paydex score is an overall assessment of business financial dealings over the past two years and provides a ranking from one to 100 based on this assessment.

In the Paydex section, you’ll see both your three-month and 12-month scores. Your D&B report compares your business’s Paydex score to other businesses within the same industry, including a section that compares your score in more detail by quarters and graph mapping of your score by month. You can also see your payment habits, which compares the amount of credit extended, number of payments and percentage of payments made within appropriate terms.

The last portion outlines your payment summary, which you should look over carefully. Business credit agencies don’t list the actual name of the creditor reporting, but does list the general description of the creditor. For example, “custom programming” could be John’s Programming Shop. You should see the number of payments made, dollar amount of each payment, highest credit amount associated with the creditor, repayment terms and the percentage of payments paid within these terms. Just like personal credit reports, the D&B report defines late payments made after the appropriate terms, including monthly breakdowns of 30, 60, 90 and so on.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Credit Score Class Summary

The Credit Score Class Summary is a predictive score based on the likelihood of a business making severely delinquent payments (i.e. beyond 90 days). First, the business is assigned a class between one and five, with one being low risk and five being the highest risk. You then receive a credit score percentile. These are calculated based on the business's payment history compared to industry standards.

## Financial stress summary

Similar to the Credit Score Summary, the Financial Stress Summary is also predictive with a one to five scale ranking. It's used to determine the likelihood of a business experiencing financial stress and predicts whether the company will cease business without paying creditors or looking for aid. Your Financial Stress Summary is compared to other businesses within the industry and the viability rating given by the D&B identifies how likely your business will fail within the next 12 months when compared against competing companies.

## Public filings

The public filings section outlines all filings made by your business, which can include bankruptcies, judgments, liens, lawsuits and UCCs. Each outline provides the type and date of filing, current status and a list of parties involved. Whether settled or not, negative items can hurt your business's credibility. Any of the filings listed above are typically considered negative items, except a UCC. These filings are simply a way lenders convey to each other what financing has taken place and the collateral utilized to secure the financing.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Banking and finance**

The last section on your D&B credit report is your banking and financial information. Submitting this information isn't mandatory and it's recommended you don't supply the data unless your business has strong finances you would like placed on your business credit report. If a company's financial statements aren't provided, your D&B score is based on company size, industry and other related factors. If financials are submitted, the D&B summarizes the data by listing assets, liabilities, ratios, working capital, net worth and net profit.

**NOTES:** \_\_\_\_\_

---

---

---

---

---

---

---

---

---

---

# MODULE 9: GET LISTED!

The best way to make sure you will be approved for any type of credit line or lending program is to meet all the creditor's underwriting criteria during the automated application process. Computer algorithms and checklists have the power to approve you many times without a living, breathing human being actually needing to put eyes on your business credit report.

We always want to strive to meet these requirements because if you do not get approved through the automated process, whoever follows up on underwriting will already have a negative perception of your company.

You can help your situation by making sure you have your business listed in all the major places that creditors will check.

On the next few pages, we will list the major online resources that we have identified after interviewing dozens of vendors, lenders, and bankers across the USA. We recommend getting listed with most, if not all of these at some point.

## **Google My Business**

Take charge of what people see when they do a local search for your business. Google My Business gives you the tools to update your listing and engage with your customers from your phone, tablet and computer. All for free.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **411**

If your business doesn't have a dedicated business line then your company is not listed in 411. If your company does have a business line, chances are it is only listed in your phone providers 411 database and listed only in your neighborhood.

When applying for credit with a supplier or creditor one of the very first things checked to verify the legitimacy of your company is whether or not you have a 411 business listing.

A non listed business will automatically trigger a red flag with most creditors and result in a denial of credit. So in order to avoid getting turned down you should first verify whether or not your company is listed prior to applying for credit.

Don't let this happen to you!

## **BBB**

The BBB collects and provides free business reviews on more than 4 million businesses to over 123 million requests from consumers in 2013, helping make the BBB's website rank among the top 1,000 most-visited websites in the United States. Creditors do often look up your business on the BBB during underwriting.

## **Bing Places For Business**

Bing, Microsoft's search engine, while not as popular as Google, is still a favorite tool used by millions of people to search for businesses online. What's more, Bing is the default search engine for all newer computers, tablets and mobile devices running Windows OS. It allows you to claim a listing for your small business on the search engine for free via its Bing Places for Business.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Chances are Bing has a listing for your business already. Claim an existing listing or add a new one. If your business has multiple locations you can add them in one go using the bulk upload tool. Protect your listing from unauthorized changes by verifying it. You can verify your listings by receiving a PIN at your business address, phone or email. All businesses must provide a valid address, but some types of businesses can hide their address in search results.

### **Yahoo Local Listing (Yext)**

Yahoo Local is one of the largest local business directories on the Web. Yahoo used to be a free business listing site, but a few years ago it outsourced its local listings management to Yext, a local business listings service that provides the ability to update your business information in real time across 50+ U.S. yellow pages sites and directories. Yext also has partnerships with several non-U.S. directories. You can check out the status of your business' info and how Yext works by clicking on the following link: <http://www.yext.com/pl/localseo/index.html>

Typically Yahoo will already have a listing for your business in its index. You just need to find it to claim it. You should see a result for your business on the right side of the search results page in a box we typically call a "Knowledge Panel". If your business has not been claimed, you should see a link that reads "Is this your business? Verify your listing".

Click the link and you will be taken to a Yext page like <http://www.yext.com/pl/localseo/index.html> where you will see how your business information appears across Yext's Powerlisting Network.

Click on the "Continue" link at the bottom of the page and you'll be taken to an "Update Your Listing" page where you can update your location's information.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Once you have entered the information, click “Continue” to get to the “Select Your Plan” page. Currently, you can choose from the following four local business directory submission plans:

- Yahoo Only: \$150/year
- Essential (Includes Yahoo and 11 other top sites such as Google, Yelp & Facebook): \$449/year
- Complete (Includes over 50 sites + ability to publish menus, calendars, etc. + analytics): \$499/year
- Premium (Includes Complete package + review monitoring + Yext Pages): \$999/year

### **OR TAKE THE FREE ROUTE**

If you don’t want to manage your listings via Yext, click the “Claim Your Basic Listing only on Yahoo” link where you can submit info on your Yahoo local business listings at no charge. The challenge with this method is there is no indication how long it will take Yahoo to respond and it may take a long time for you to get control of your listing.

The overall process is pretty easy, but it can be painstaking if you have to manage/create a lot of listings across the Internet. Yext PowerListings can take care of that for you. Yahoo and Yext also offer discounts and additional services for businesses with multiple locations.

**NOTES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MerchantCircle**

MerchantCircle is a San Ramon, California-based start-up company which helps small businesses network with other local businesses and reach local customers through free marketing tools and social media features. On May 26, 2011, Reply! Inc. announced that it had entered into a definitive agreement to acquire MerchantCircle for \$60 million in cash and stock. The transaction was completed in Q3 2011. Reply! founder and CEO, Payam Zamani, is the CEO of the combined companies, called Reply! Inc.

The company was founded in 2015. MerchantCircle was recognized as “Newcomer of the Year” by AlwaysOn Media in 2007, and was ranked as the fifth-largest local directory site and one of the top 160 sites in the U.S. by a Quantcast study in 2009. The MerchantCircle network signed on its one-millionth member merchant in early 2010, and expanded internationally to Australia, Canada and the United Kingdom.

MerchantCircle conducts a quarterly Merchant Confidence Index survey, the findings of which have been cited in The Financial Times, Forbes, The New York Times and USA Today, among others.

**MANTA**

If you don’t have time to keep up with all these business directories, services like Manta Listing Manager can help. Using information that’s already in your Manta profile, Listing Manager will claim and update your business listing on more than 50 local directories across the Internet.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **YP.com and Superpages.com (yellowbot)**

Yellow Pages kept up with the digital revolution by building YP.com. You can claim your business page by entering your business info here. Many consumers still consider the Yellow Pages their go-to resource for looking up businesses, making this a great business directory to be on.

## **Yelp**

Yelp gets a bad rep among small business owners because of unfair—even biased—reviews and customer rants. But there is value in Yelp’s business listings. Visit [biz.yelp.com](http://biz.yelp.com) to claim or add your business. Once claimed, however, be prepared to spend time monitoring your company page and addressing any dissatisfaction among your customers.

## **Mapquest**

It may be a surprise, but the geo-mapping service we all use so frequently offers a listing service for businesses, allowing customers to find you while on the road and in your area. A basic listing on MapQuest will include your business name, address, phone number, website, several business categories and your longitude and latitude. To list your small business, you’ll need to email MapQuest’s support team by first visiting [help.mapquest.com](http://help.mapquest.com).

## **Express Update**

Express Update makes it easier for customers to find and reach your business on the Internet—and it’s all FREE!

Express Update has been providing data and marketing campaign services since 1972. They verify data that the top search engines use to find your business, and provide point of interest data to the leading in-car navigation systems.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Citysearch**

Citysearch is an online city guide that provides information about businesses in the categories of dining, entertainment, retail, travel, and professional services in cities throughout the United States. Visitors to each of Citysearch’s local city guides will find contact information, maps, driving directions, editorial, and user reviews for the businesses listed.

In June 2010, Citysearch LLC rebranded as CityGrid Media. The flagship product of CityGrid Media is CityGrid, a content and ad network for local. CityGrid Media also owns and operates leading local consumer properties which include Citysearch, Insider Pages, and Urbanspoon.

**Dex Knows**

Dex has been in advertising not just for decades, but for generations. This means that they have experience and longevity in the industry. Their product line includes print, web, mobile apps, reputation management and video. These services allow them reach the largest customer base for their clients.

Dex One Corporation provides online, mobile and print search marketing via their DexKnows.com website, print yellow pages directories and pay-per-click ad networks in the U.S.

**Hotfrog**

Hotfrog is a commercial web directory providing websites categorized topically and regionally. Hotfrog’s head office is located in Sydney, Australia but maintains directories in 32 countries worldwide and is present in 15 languages. Hotfrog has over 59 million business listings worldwide.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Many search engines view listings in “high quality directories” as a valued citation. Website owners report of submitting their sites to directories can increase their search engine listings. Google’s certainly encourages businesses to list themselves on directories such as Hotfrog to maintain a strong NAP (Name, Address, Phone Number) which will encourage their position in the local search results.

Hotfrog offers listings for both non-commercial and commercial sites, and places each site that meet their guidelines in its most relevant topic and location.

## **Foursquare**

Foursquare is a local search-and-discovery service mobile app which provides search results for its users. There are over 2 million businesses listed directly on Foursquare and over 50 million users use Foursquare to discover and discuss businesses.

People are using their phones to connect with businesses more than ever. Nearly all mobile users (95%) rely on their devices for local search, and 90% of mobile phone searches result in either a purchase or a visit (Nielsen, 2010).

If you’ve been in business for any length of time then your customers probably listed your business already. You can claim it on Foursquare to take control of your listing.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# MODULE 10:

## USING CREDIT TO LOWER COSTS

As a small business owner, you have undoubtedly received offers and “pre-approved” applications for a small business credit card.

According to the National Small Business Association, over 37% of small business owners reported using credit cards for funding in the past year. Business credit cards are only surpassed (by a few percentage points) as a funding source by revolving lines of credit from a bank.

One benefit of using your credit for day-to-day operations is having balanced books. Writing checks and paying cash always throws a wrench into keeping a balanced checkbook. If you forget about that one ATM withdrawal you made, and you might see overdraft fees in your future.

In addition to receiving a detailed paper monthly statement, most cards provide their small business card-holders with online tools to manage their account. They also send out a year-end account summary which can help you and your finance team track, categorize and manage expenses. Some cards even automatically integrate with accounting software like Quicken.

Having and using credit can help simplify bookkeeping and provide a wealth of useful financial information to you and your finance team. If you are also providing credit cards to employees, it offers an easy way to monitor employee spending.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**According to the FTC, a credit card is the safest way to pay because federal law provides the most fraud protection for credit-card users as opposed to debit-card users.**

Another major benefit of having access to credit for your business is lowering the overhead costs associated with your day-to-day business operations. An excellent credit score will allow you to purchase items at the best possible prices and enjoy favorable terms with industry-specific accounts and creditors. This will naturally lower your cost of goods sold (COGS).

There are many scenarios where having credit lines with vendors that are specific to your line of business can reduce your overall expenses.

Consider the roofing contractor, Peter, who we discussed in Module 4--- A roofer without credit will be paying cash upfront for his supplies. This might mean that Peter needs to charge his clients upfront for a percentage of his fees in order to fulfill his contract.

This, in turn, may limit the types of jobs he can even bid on. Peter spends time and money every day sending his workers to pick up supplies. Those are hours that could be spent on the job, but instead they are at the hardware store and in the truck putting miles on his work vehicles and using fuel that Peter pays for with his company debit card.

Doing business this way is inefficient and costly.

With a good credit rating, Peter can keep his workforce on the job. Peter orders all his materials from a large chain of hardware and building material suppliers, and he does not send workers to pick them up, but instead has them delivered to his job site.

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This saves him hundreds of man-hours every year in labor costs, and reduces the wear and tear on his fleet of work trucks. When he puts fuel in his vehicles he uses his fleet fuel card and keeps a high average daily balance in his business checking account by not paying with cash. Peter knows from the last time he applied for a bank loan that his average daily balance is one of the key factors that lenders look at when going through the underwriting process.

One day, Peter was on a job, up on the roof of a three-story apartment building in a large multi-unit complex. He was able to bid on this contract even though there is a 45-day turn around time for payment because he had the credit available and knew he would be able to make payroll and finance all the materials with his vendors.

While on the roof, he had a tool break and he knew he could not finish the job without it. Instead of sending one of his workers to pick up a replacement, Peter called the hardware store and placed an order using his commercial account.

The hardware store sent a driver with the replacement tool while Peter and his team continued to work saving valuable man hours.

In the end, the job got done and no one even had to get down from the roof!

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## HOW BUSINESS CREDIT CAN SAVE YOU MONEY ON LENDING

If you're in the market for a traditional or even non-traditional loan, good news! Business credit is going to be the NUMBER ONE asset in helping you qualify, as well as help your business get the best terms.

**Sure**, if you have excellent personal credit, then you may be able to qualify for a loan with comparable rates as you would with your business credit...

### BUT!

The hidden cost of using your personal credit for your business is the ***fallout that occurs when something goes wrong.***

Well, let's just say your scenario is the "best case" and you have good personal credit. Your credit card interest rates are decent, you own a home, and you can qualify for an unsecured personal loan at around 9%. Here's what your loan options might look like:

LOAN TYPE	LOAN AMOUNT	INTEREST RATE	COST OF LOAN (in terms of interest paid)
Credit Card	\$10,000	11%	\$5080.09
Home Equity Loan	\$10,000	7%	\$3088.37
Unsecured Personal Loan	\$10,000	9%	\$4064.20
Loan in your Business Name	\$10,000	7%	\$3088.37

So with this simple example here the home equity loan is right there with the business credit loan. This may or may not be true in any given situation, but consider this... ***With one of the loans, you're risking your house.***

***(DON'T DO IT!)***

**NOTES:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





# A NOTE FROM DAVE

Dear Business Owner,

The material covered in the course is enough to help any business in any industry get off to a great start in building your business credit. It's now up to you to take what you have learned and apply it.

But just like taking a business class in college (or getting your MBA for that matter) doesn't necessarily make one into a good business owner, learning a little about business credit doesn't make you an expert.

This course was not designed to be a master class. There is much more to learn, and honestly, the world of business credit is a rapidly changing one. The way your business is scored and the types of tradelines that report to the business credit agencies are changing all the time.

You have been given the most up-to-date information to get a head start on your business credit journey, but there IS a master class out there. If you want to take the next step and get access to tools and technology that will help you apply all that you have learned in this course and much more, than you need to check out the Business Finance Suite. It's the most comprehensive credit and financial solution for small business available today.

The best part about the Business Finance Suite is that 100% of your investment into this course will count toward your upgrade.

I believe in entrepreneurship , and whether you decide to make that investment into the Business Finance Suite or not, I hope you can use the material we have covered in this course to get your business moving in the right direction, and ultimately have the business you've always wanted and deserve to have.

To your success,

*David C. Emery*

Founder of Emery Advisory Group



# GLOSSARY

**Business Credit:** credit that is established under a business name using an EIN number and not a personal social security number of an individual.

**Consumer Credit:** credit established under an individual's tax ID number (social security #)

**Bank Credit:** Bank credit is the amount of credit available to a business from the banking system. It is the gross amount of funds that financial institutions are willing to provide to a business.

**Revolving Credit:** credit that is automatically renewed as debts are paid off.

**Tradeline:** Credit accounts, which are reported to the credit reporting agencies. Each tradeline contains detailed information about the account.

**LLC:** A limited liability company (LLC) is a corporate structure whereby the members of the company cannot be held personally liable for the company's debts or liabilities. It is essentially a hybrid entity that combines the limited liability of a corporation with the availability of flow-through taxation to the members of a LLC like a sole proprietorship or partnership. LLCs also have the option to be taxed as S-corps or C-corps.

Although LLCs have some attractive features, they also have a number of disadvantages, especially in relation to the structure of a corporation. A LLC has to be dissolved upon the death or bankruptcy of a member, unlike a corporation, which can exist in perpetuity. Also, a LLC may not be a suitable option when the objective of the founder is to eventually become a publicly listed company.

**S-Corp:** A Subchapter S (S Corporation) is a form of corporation that meets the IRS requirements to be taxed under Subchapter S of the Internal Revenue Code. This gives a corporation with 100 shareholders or less the benefit of incorporation while being taxed as a partnership. This means that any profits earned by the corporation are not taxed at the corporate level, but rather at the level of the shareholders.

- 1) Must be a domestic corporation
- 2) Must not have more than 100 shareholders
- 3) Must include only eligible shareholders
- 4) Must have only one class of stock

S-corps are eligible for more deductions than sole proprietors or partnerships (see LLC) and shareholders have the option to take distributions from profits to potentially reduce self-employment taxes.

**411 Directory:** When applying for credit with a supplier or creditor, one of the very first things checked to verify the legitimacy of your company is whether or not you have a 411 business listing. A non-listed business will automatically trigger a red flag with most creditors and result in a denial of credit.

**Cash Advance:** Sometimes businesses with less-than-perfect credit use cash advances to finance their activities. In some instances these advances are even paid for with future credit card receipts. The amount of the cash advance depends on the credit score of a business and its credit card sales. In almost all cases, cash advances should be viewed as a method of last resort.

**Payment Experience:** In relation to business credit, a payment experience refers to the total number of individual payments made to a tradeline, that are then reported to a credit agency. If a trade line reports to more than 1 agency, such as D&B and Experian, then that would count as two payment experiences.

**Pro-Forma:** Used to evaluate a business's estimated net revenues, cash flows, taxes, profits, losses, etc. Pro-forma statements can indicate the projected status of a company in the future based on current financial statements.

**Net 30:** A type of trade credit where the payment is due 30 days from the purchase date. Occasionally, discounts are provided when a business pays early. Ex: If a business gets a 3% discount for paying within 10 days, it'd be written 3/10 net 30.

**Asset Protection:** (sometimes also referred to as debtor-creditor law) is a set of legal techniques and a body of statutory and common law dealing with protecting assets of individuals and business entities from civil money judgments. The goal of all asset protection planning is to insulate assets from claims of creditors without concealment or tax evasion.

**Purchase Order Financing:** a short term financial solution used to finance the purchase or manufacture of specific goods that have been pre-sold by the client to its credit worthy end customer. Funding allows clients to secure the inventory they need to fulfill pending orders.

Used when sales growth is out-pacing available working capital or bank credit lines or when working capital must be preserved for other operations.

**Fuel Advance Programs:** specific to the transportation industry that allows the client to fill up their rigs based on outstanding invoices. Some companies even accept fuel invoice images to get funding to clients faster.

**Asset-based Lending (Collateral Financing):** Ideal for under-capitalized companies that have good performing receivables, are growing faster than their cash flow intake, and need to maximize their borrowing capacity using accounts receivable and inventory as collateral.

Asset based financing works well with manufacturers, distributors and service companies whose seasonal needs and industry cycles often disrupt their cash flow.

Advance funds based on an agreed percentage of the secured assets' value. The percentage is generally 70 percent to 80 percent of eligible receivables and 50 percent of finished inventory.

Rates: Prime + 2-5%

**Accounts Receivable Financing:** funds that are advanced based on the value of your invoices.

Average receivable financing rates at 0.69% - 1.59%

Receivable credit lines starting at 5,000 & up to 10 million

**Short Term Loan:** reaches maturity in 1 year or less

**Long Term Loan:** reaches maturity between 1-7 years

**Secured:** using personal or company assets as collateral

**Unsecured:** seeking working capital based off of credit worthiness of applicant

**Small Business Loans (SBA Loans):** government-based loans to small businesses from private sector lenders (SECURED)

Interest rates 3.45% to 4.13%

Funding: 1-6 months

Payback: 5-20 years

**Merchant Cash Advance:** a type of funding that is not a loan. It is a purchase of a fixed dollar amount of a business's future credit and debit card receivables at a discount.

Rates: 15-80%

Or Factor Rates of 1.14 to 1.48 paid back daily based off of sales

**Start Up Loans:** from private lenders; SECURED.

**Franchise Start Up Loans:** specialized financing for franchises; borrower must have 10-30% down.

**Professional Loans:** for doctors, dentists, lawyers, etc.

**Hard Money Equity Loan:** a specific type of asset-based loan financing through which a borrower receives funds secured by real property. Hard money loans are typically issued by private investors or companies. Interest rates are typically higher than conventional commercial or residential property loans because of the higher risk and shorter duration of the loan. Most hard money loans are used for projects lasting from a few months to a few years.





## LEARN...

- ▶ **HOW BUSINESS CREDIT IS DIFFERENT FROM CONSUMER CREDIT**
- ▶ **ESSENTIALS YOU ABSOLUTELY NEED TO LOOK CREDIBLE**
- ▶ **HOW BUSINESS CREDIT BUREAUS GENERATE YOUR SCORE**
- ▶ **PRACTICAL WAYS BUSINESS CREDIT CAN LOWER COSTS**
- ▶ **WHY A WEBSITE THESE DAYS IS A REQUIREMENT**
- ▶ **HOW TO SHORTCUT THE STEPS TO GETTING CREDIT**
- ▶ **HOW TO DISPUTE INACCURACIES**
- ▶ **WHY YOU NEED CREDIT TO GET OTHER FUNDING**
- ▶ **THE REASON WHY PERSONAL CREDIT ISN'T ENOUGH**

