



# How to Build Business Credit

(9 Basic Steps, No Cost)

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# How to Build Business Credit

**Interested in learning how to access capital for your business? Want to learn how to build credit for your business? What we're going to share in this article will help you create an attractive profile for your business with lenders.** The process of building business credit is not complicated nor is it exclusive to large companies, from a start-up to an established business can access loans with low interest rates and long repayment terms when your business demonstrates that it has the discipline and ability to repay loans on time.

In the modern era, with constantly evolving markets and a dynamic business environment, the ability to access financing can be the difference between business success and failure. In this article, we will explore the concept, importance, and benefits of business credit and give you a detailed guide on how to build it.

# 9 Steps to Building Credit for a Business

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# 9 Steps to Building Credit for a Business



# What is Business Credit?

The term “credit” generally refers to the confidence or ability of a person or entity to borrow money or access goods and services with the promise of repayment at some point in the future. In the business context, business credit is even more specific and has significant implications for the operation and growth of a company.

## Difference between Personal Credit and Business Credit

Although both types of credit are based on trust and ability to pay, they have different applications and are evaluated under different criteria:

**Personal Credit:** Granted to individuals based on their income, personal credit history and ability to repay. It is directly linked to a person’s financial situation.

**Business Credit:** Granted to companies or commercial entities. Its evaluation is based on the business’ credit history, cash flows, profitability, and other financial indicators. The financial health and reputation of the company play a crucial role here.

As with personal credit, there are three business credit bureaus:

[Experian Business](#)

[Equifax Business](#)

DUN & Bradstreet

When it comes to business credit, DUN & Bradstreet is the premier business credit reporting agency. It is the agency to have the best possible score with.

Depending on the needs and circumstances of a business, different credit instruments can be accessed:

[Business Loans](#)

# Business Credit Evaluation

Financial institutions use various criteria to evaluate the creditworthiness of a business. These criteria may include, but are not limited to: the credit history of the business, balance sheets, cash flows, profitability, length of time in operation, and the structure of the business. Information is often obtained from reports generated by credit bureaus that maintain records of how companies handle their financial obligations.

*“The ability to access credit is based on your company’s ability to pay, not yours as the owner.”*

## Build Business Credit Without Relying on Personal Credit

1. Obtain business credit without personal guarantee, without personal liability, separating your personal credit and your business credit.
2. Obtain business credit independently of personal credit, without a personal credit check.

Whether you have good or bad personal credit, you can build business credit without making any inquiries on your personal credit report and without your personal credit score controlling the actual results you get while building business credit.

So having good credit in your business allows you to:

- Have access to capital even if your personal credit is not in the best conditions.
- Access to capital without collateral.
- Raise capital for your new business without having income verification.
- Raise capital without personal guarantee.

# 3 Numbers You'll Need to Start Building Business Credit

1. [EIN.](#)
2. [Experian BIN.](#)
3. [DUNS.](#)

## Good Debt vs. Bad Debt

Allow us to pause, there are those who believe that having debt in a business is a bad thing. It is important that you understand the difference between good debt and bad debt. The simplest way we found was with two equations:

## When you SPEND without Intention – BAD DEBT

$$\begin{aligned} &\text{Credit + Obligations + High Interest Rates + Messy Finances} \\ &= \\ &\text{Bad Debt} \end{aligned}$$

Bad debt does not help the business grow and the capital you raised only became a financial burden to the operation.

## When you INVEST with Intent – GOOD DEBT

$$\begin{aligned} &\text{Credit + Investment + Value-generating Assets + Increase in Income} \\ &= \\ &\text{Good Debt} \end{aligned}$$

Good debt helps you invest in assets that contribute to growing the company and net income, resulting in healthier finances.

*“Use good debt to leverage your business.”*

## 5 Ways to Use Credit as a Wealth Building Tool in Your Business

1. Use credit to pay bad debt.
2. Use credit to invest in yourself -Personal development.
3. Use credit to invest in a commercial property – The center of operations for your business.
4. Use credit to launch a new business unit.
5. Use credit to increase the competitiveness of your business.

## Steps to Build Credit for a New Business

### 1. Incorporate your business and obtain your EIN number.

Incorporating a business in the United States involves choosing a legal structure for it. This decision can have significant tax, personal liability, and other operational implications. Here are the main options for incorporating a business in the United States:

#### Sole Proprietorship (Sole Proprietorship)

- **Description:** The simplest type of business, where an individual is the sole owner and operator.
- **Advantages:** Easy to establish and dissolve, and usually involves less paperwork.
- **Disadvantages:** The owner has unlimited liability for all debts and obligations of the business.

#### Partnership

- **Description:** Two or more people join together to operate a business.
- **Subtypes:**
  - *General Partnership (GP): All partners have unlimited liability.*
  - *Limited Partnership (LP): Some partners have limited liability and do not participate in the day-to-day management.*
- **Advantages:** Allows combining resources and skills.

- **Disadvantages:** Partners may have disagreements, and the legal structure can be complex.

## **Corporation**

- **Description:** It is a legal entity separate from its owners. The owners are shareholders.
- **Subtypes:**
  - *C Corporation: Standard corporation. May have an unlimited number of shareholders and is taxed independently.*
  - *S Corporation: Only allows a limited number of shareholders and does not pay corporate taxes; income is passed through to shareholders.*
- **Advantages:** Protects shareholders from personal liability for the corporation's debts and shares.
- **Disadvantages:** Can be costly to set up, and there are complex regulatory and tax requirements.

## **Limited Liability Company (LLC)**

- **Description:** Combines characteristics of partnerships and corporations. Owners are called "members".
- **Advantages:** Members have limited liability and there is flexibility in how the business is taxed.
- **Disadvantages:** Regulations can vary by state, and it can be more costly and complicated to set up than a sole proprietorship or partnership.

## **Cooperative (Cooperative)**

- **Description:** Democratic ownership and operation by its members to satisfy a common need or economic objective.
- **Advantages:** Members are both owners and customers, and profits are distributed among them.
- **Disadvantages:** It may be difficult to raise capital and there may be conflicts among members.

## **Nonprofit (Nonprofit Organization)**

- **Description:** Operated to fulfill a charitable, educational, scientific, religious, or literary purpose.
- **Advantages:** May be tax-exempt and may receive tax-deductible donations.
- **Disadvantages:** There are strict regulations, and any income must be reinvested for the purpose of the organization..
- When considering which structure is most appropriate, it is crucial to consider the type of business, the number of owners, the tax implications, and the risks associated with the business. Consulting with a U.S. attorney or accountant is highly recommended before making a decision.

## **EIN Number**

The Employer Identification Number (EIN), also known as the Federal Tax Identification Number, is a unique identification number assigned by the Internal Revenue Service (IRS) to business entities in the United States. It is equivalent to the Social Security number for individuals, but is used to identify businesses and other entities.

Here are some key points about the EIN:

- **Primary Purpose:** The EIN is used primarily for tax reporting and to identify the entity in all IRS-related correspondence.
- **Requirements:** The following entities or individuals generally need an EIN:
  - Companies that have employees.
  - Partnerships and Corporations.
  - Trusts, except certain types of trusts.
  - Administrators of inheritances.
  - Entities required to file employment, excise, or alcohol, tobacco and firearms tax returns.

**Obtaining:** You can [apply for an EIN](#) in several ways, including online through the IRS website. The online process is free and, once completed, the number is issued immediately.

**Use in Business Transactions:** In addition to its use for tax purposes, an EIN is often required to open a business bank account, apply for business permits and licenses, or establish credit with suppliers.

**Changes in Business:** If the ownership structure or organization of a business changes, it may need to obtain a new EIN. For example, if a business changes from a sole proprietorship to a corporation, it will generally need a new EIN.

**Not Required for All Businesses:** Sole proprietorships without employees may use the owner's Social Security number instead of an EIN. However, many choose to obtain an EIN to keep their Social Security numbers separate from their business transactions.

In summary, the EIN is an essential identifier for businesses and other entities in the United States, especially when interacting with the IRS or engaging in activities that require tax identification.

**2. Open a bank account for the business.** Opening a business-specific bank account is a fundamental step for any entrepreneur or business owner. This decision goes beyond simply having a place to deposit money; it has several strategic and operational advantages that are crucial to the smooth operation and professionalism of any business. Below are the reasons and importance of having a separate bank account for the business:

**Financial Separation:** One of the main benefits of opening a business bank account is to keep personal finances separate from business finances. This simplifies accounting and ensures that business funds are not commingled with personal funds.

**Professional Credibility:** Accepting checks or other payments in the name of a business, rather than in a personal name, reflects professionalism. This can improve the perception that customers and suppliers have of the seriousness and legitimacy of the business.

**Facilitates Accounting:** Having all business transactions flow through a specific account makes it easier to track income and expenses. This is essential for accurate financial reporting and tax return preparation.

**Asset Protection:** In some cases, having a separate bank account can help protect personal assets from possible legal problems or business debts, especially in structures such as LLCs (Limited Liability Companies) or Corporations.

**Access to Business Banking Services:** Many banks offer specialized services for business accounts, such as business loans, business credit cards, payroll services, and more. These services can be essential for business growth and operation.

**Better Cash Flow Management:** A business bank account allows owners to closely monitor cash flow, which is critical to understanding the financial health of the business and making informed decisions.

**Audit Preparedness:** In the event that the business is subject to an audit by the IRS or another entity, having a separate bank account facilitates the review process and demonstrates organization and transparency.

**Establishing Credit History:** Over time, the business may need to access credit or loans. Having a business bank account and managing it responsibly can help establish a favorable credit history for the business.

**Clarity in Decision Making:** By having a clear representation of business finances, owners can make more informed decisions and plan ahead.

Opening a business bank account is not just a formality, but an essential strategy that provides organization, protection and professionalism to the venture or company. It is a fundamental tool that every entrepreneur should consider when starting and operating a business.

### **3. Buy a domain and create your website.**

The relationship between having a website and building credit for a business is not direct, but it is interrelated in several important ways. A website, as a digital representation of a company, can influence the perception and trustworthiness of the business to different stakeholders, including lenders. Here's how a website can play a role in building credit for a business:

**Legitimacy and Professionalism:** For many lenders, a well-designed and up-to-date website can be an indicator of the legitimacy and reliability of a business. It is a sign that the company is making an effort to maintain a professional online

presence, which can influence the perception of its strength and trustworthiness.

**Transparency:** A website that provides detailed information about the business, the services or products it offers, and its track record can demonstrate transparency. This transparency can be valuable to lenders when evaluating the reliability and creditworthiness of a business.

**Operating History:** A website that has been active for several years can be used as an indicator of how long the business has been in operation. While it does not replace official or financial records, it can provide additional context on the stability and trajectory of the business.

**Testimonials and Reviews:** A website that displays customer testimonials, case studies or reviews can support a business' reputation. A positive reputation can influence a lender's willingness to extend credit.

**Online Revenue:** If the business generates sales or revenue through its website, this may be evidence of a steady revenue stream. A demonstrable digital revenue stream can be helpful when applying for credit.

**Strong Digital Presence:** A strong online presence (including SEO, social media and digital marketing) can indicate that the business has a growth strategy and a commitment to its continuity. This can be viewed positively by lenders.

**Communication with Stakeholders:** A website is a tool for communicating with various stakeholders, including investors, banks and other potential lenders. A clear communication channel can facilitate the building of relationships that are useful when building credit.

**Integration with Financial Tools:** Some websites integrate financial tools, such as billing, accounting or payment management systems. These tools can be useful in demonstrating the financial health and organization of the business.

While having a website does not automatically guarantee good credit for a business, it can certainly influence the perceived credibility, stability and professionalism of the business with lenders and financial institutions. In today's competitive environment, not having a website could cause a business to fall behind in terms of visibility and trust, factors that can be crucial when trying to build credit.

**4. Create an email address for your business.** Email, like the website, may seem like a primarily communicative tool, but its relevance goes beyond that, especially when talking about building credit for a business. The following details the importance of having a business-specific email in relation to credit building:

**Professionalism and Legitimacy:** Having an email with the company's own domain (e.g., nombre@tunegocio.com) projects a professional and legitimate image. Lenders and other financial institutions may see this as a sign of a well-established and organized business.

**Official Communication:** When applying for credit, constant communication with banks, financial institutions or credit providers is likely to be required. Having a dedicated business email ensures that all credit-related correspondence is kept organized and centralized.

**Verification and Registration:** Some institutions may send verification emails or information related to the credit application process. Having a business-specific email ensures that these communications do not get lost or mixed with personal emails.

**Transaction History:** A business email can be used to receive invoices, payment confirmations, agreements and other financial documents. This history can be useful in future credit negotiations or to demonstrate the creditworthiness of the business.

**Relationship Building:** A professional email can help establish and maintain relationships with suppliers, customers and other business partners. These relationships can be crucial when seeking referrals or trying to build a solid credit reputation.

**Marketing and Customer Relationship:** Although not directly related to credit, a business email is essential for email marketing campaigns and maintaining a relationship with customers. A good revenue stream, driven in part by marketing activities, is a factor that lenders consider when assessing the strength of a business.

**Fraud Protection:** Using a separate email address for business transactions and

communications can help protect the owner's financial and personal information against potential fraud or attacks.

**Separation of Personal and Business Finances:** As with a separate bank account, a business-specific email helps maintain separation between personal and business finances and operations.

A business-specific email not only reinforces the company's image and organization, but also plays a role in building a solid foundation for establishing and improving business credit. It is a simple, yet essential tool in the modern business ecosystem.

**5. Assign a business phone number.** Some reasons why it is important to have a dedicated business phone number when it comes to credit building:

**Professionalism and Legitimacy:** As with a dedicated email or a dedicated website, a dedicated business phone number projects professionalism. This can make a good first impression when financial institutions or vendors evaluate the seriousness and structure of the business.

**Commercial Directories and Listings:** Many businesses are listed in commercial directories and databases, such as Dun & Bradstreet. These directories are consulted by lenders and suppliers to verify the existence and operation of a business. Having a business-specific landline phone number facilitates this verification.

**Separation of Personal and Business Matters:** It is essential to keep personal communications and transactions separate from business transactions. This not only helps maintain organization, but also avoids possible confusion or errors that could affect creditworthiness.

**Communication History:** Keeping a record of business calls can be useful for future reference, especially in situations involving financial arrangements, payment terms or credit negotiations.

**Accessibility and Constant Communication:** Lenders, suppliers and other business partners may need to communicate with the business on a regular basis. Having a dedicated number ensures that these calls are not missed or overlooked, which could negatively impact credit reputation.

**Trust and Transparency:** For customers, suppliers and other stakeholders, the fact that a business has an easily accessible phone number provides a level of transparency and trust. This trust can be crucial when it comes to establishing and maintaining business relationships, which in turn can influence the ability to build credit.

**Fraud Protection:** As with email, having a separate business phone number can help protect the owner's personal information. Unwanted or suspicious calls can be easily identified and handled appropriately.

**Establishing a Local Presence:** If the business operates in a specific geographic area, having a local number can help establish a presence in that community. This local recognition can be beneficial when applying for credit from local banks or financial institutions.

Assigning a business-specific phone number is more than a mere formality. It is an essential tool that reinforces business identity, facilitates communication with stakeholders and plays an important role in building and maintaining a solid credit history.

**6. Register your DUNS number free of charge.** The DUNS (Data Universal Numbering System) number is a unique business identification system developed and regulated by Dun & Bradstreet (D&B). Obtaining this number is an essential step for companies looking to establish and build their business credit. You can obtain your DUNS number free of charge at the following link:

[Get your DUNS Number](#)

The importance of obtaining a DUNS number in the context of credit construction is detailed below:

**Establishing Credibility:** One of the first steps in building business credit is to establish your business' presence in the financial and commercial world. Registering for a DUNS number is an indication that your business is serious about its intentions and plans to operate professionally.

**Creating a Credit Profile:** Dun & Bradstreet is a leading business credit reporting agency. By obtaining a DUNS number, you allow D&B to create a credit profile for your business, which is essential to building and maintaining business credit.

**Access to Credit Reports:** Once your business has a DUNS number, you can access your credit report, which allows you to monitor and manage the credit health of your business. This report is used by lenders, suppliers and other business partners to evaluate the creditworthiness and reliability of your business.

**Improve Supplier Relationships:** Some suppliers may offer more favorable payment terms or lines of credit to companies with a strong credit history. A DUNS number allows you to demonstrate your history and negotiate more advantageous terms.

**Financing Applications:** Many lenders and banks require a DUNS number as part of the application process for loans or lines of credit. Having one can speed up the process and improve your chances of obtaining financing.

**Global Recognition:** The DUNS system is recognized internationally. If your business plans to expand or operate internationally, having a DUNS number can facilitate transactions and business relationships in other countries.

**Access to Government Contracts:** In some countries, including the United States, the government requires companies to have a DUNS number in order to participate in public tenders or contracts. Therefore, it is essential for companies seeking to work with government entities.

**Transparency and Trust:** Having a visible and transparent credit profile through Dun & Bradstreet can increase the confidence of business partners, investors and other stakeholders in your business.

**Fraud Prevention:** By having a D&B profile, it is more difficult for fraudulent entities to impersonate your business or use your business information without authorization.

**Obtaining a DUNS number is a crucial step in building business credit.** Not only does it help establish and monitor a business' credit profile, but it also opens doors to financing opportunities, business relationship building and business

growth.

**7. List your business free of charge on the Internet.** Listing your business on various online directories and platforms can not only improve your company's visibility and reputation, but can also play a role in building business credit. These directories and platforms can help legitimize your business, allowing you to establish business relationships and gain the trust of lenders. Here are some of the top sites where you can list your business:

**Dun & Bradstreet:** As mentioned above, obtaining a DUNS number and creating a profile on this site is essential to building business credit. It is one of the leading credit reporting agencies for businesses.

**Better Business Bureau (BBB):** A directory that not only lists businesses, but also offers ratings based on the business's interaction with its customers.

**Yellow Pages:** Although print versions have declined, the online version remains a relevant resource for listing businesses.

**Yelp:** Especially useful for local businesses, restaurants, stores and services. Positive reviews can improve your business image and attract more customers.

**Google My Business:** A free tool that allows you to promote your business profile and website on Google Search and Maps. Helps make your business more visible to online searchers.

**LinkedIn:** While it is a professional social network, creating a company page on LinkedIn can help establish business connections and showcase the professionalism of your business.

**Angie's List:** Especially useful for service providers. Allows customers to leave reviews, which can help build your company's reputation.

**Manta:** It is an online directory for small businesses. It allows you to create free listings and offers tools to promote your business.

**Chamber of Commerce:** The local Chamber of Commerce website is a good place to list your business, especially if you are already a member.

**B2B Directories:** Sites such as Kompass, ThomasNet or Alibaba (for businesses looking to export or import) are B2B directories that can help establish business connections and build your company's reputation.

**Professional Associations:** If your business belongs to a specific industry, consider listing your company on the website of the corresponding professional association.

**Local Directories:** Many cities or regions have specific online directories where you can list your business.

There is a service that helps you list your business in business directories:

[Whitespark – Business Listings](#)

When listing your business in these and other online directories, it is essential to keep your information current and consistent across all sites. This consistency can help build your business credibility and, in the long run, contribute to building business credit.

## Commercial Lines to Help You Build Credit

Trade lines, also known as commercial lines of credit, are financing arrangements that allow companies to borrow up to a specific limit rather than a fixed amount. These trade lines are valuable tools that can help businesses manage unexpected expenses, take advantage of opportunities and, at the same time, build business credit. Here are some of the top trade lines that can help build credit for your business:

**Traditional Bank Lines of Credit:** These are lines of credit granted by traditional banks. Generally, they require a good credit history and may have associated guarantees.

**Secured Business Lines of Credit:** If your business is new or does not have an established credit history, you can opt for a secured business line of credit. They work similarly to secured credit cards: you provide a deposit as collateral and, in

return, you get access to credit.

**Business Credit Cards:** These cards, issued in the name of your business, can be an efficient way to build credit if used and paid for properly. Plus, they often come with additional rewards and benefits. Some of the credit cards you may want to consider for your business are:

- [Chase Ink Business](#)
- [Blue Business Plus Credit Card Amex](#)
- [Costco Anywhere Visa Card by Citi](#)
- [Capital On Tap Business Card](#)
- [Bill Business Credit Card](#)
- [Brex Business Card](#)
- [JP Morgan Commercial Cards](#)
- [Citi Business Credit Cards](#)

**Net-30 or Net-60 Accounts:** These are accounts with suppliers that allow you to purchase goods or services and pay the invoice in full over a period of 30, 60 or even 90 days. These credit terms are common with suppliers and, if managed properly, can help build a solid credit history. Some of the vendors you may want to consider as they report to DUNS, Experian and/or Equifax are:

**Uline.** Company specializing in the sale of packaging supplies, shipping materials and industrial equipment products. Businesses can purchase products such as:

### **1. Packaging materials:**

- Cardboard boxes
- Bubble wrap and foam film
- Polyethylene bags and sealants
- Labels and labeling machines
- Filling and protection materials

### **2. Shipping materials:**

- Shipping bags and envelopes

- Shipping labels and labelers
- Adhesive tapes and dispensers
- Mail and parcel supplies

### **3. Storage and handling of materials:**

- Shelving and storage systems
- Trolleys and platforms
- Bins and containers
- Industrial ladders and trolleys

### **4. Safety products:**

- Personal Protective Equipment (PPE)
- Signaling and barrier products
- Storage of hazardous materials
- First aid kits

### **5. Cleaning products and operations:**

- Cleaning supplies and chemicals
- Cleaning equipment such as vacuum cleaners and mops
- Bathroom and kitchen supplies

### **6. Office supplies:**

- Basic office supplies
- Office furniture
- Rest and kitchen supplies

### **7. Products for stores and businesses:**

- Tent bags and accessories
- Labels and prices
- Displays and signage

### **8. Garden materials and equipment:**

- Pest control products

- Gardening tools and supplies

## **9. Safety products for installations:**

- Cameras and security systems
- Safety mirrors
- Barriers and fences

**Amsterdam Printing.** Company specializing in promotional products and customized marketing solutions. If you buy promotional products, this company reports to business credit bureaus and can help you build credit. The company sells products such as:

**1. Personalized pens:** Variety of styles, colors and prices.

### **2. Office products:**

- Notepads and notebooks
- Calculators
- Document holders and folders
- Pencils and markers

**3. Calendars and planners:** Wall calendars, desk calendars, monthly planners and others.

### **4. Household and kitchen products:**

- Personalized magnets
- Cups and glasses
- Kitchen accessories, such as openers and kitchen sets

### **5. Technology products:**

- Customizable USBs
- Phone chargers and accessories
- Device mounts and cases

**6. Bags and totes:** Different styles, from duffel bags to customized backpacks.

### **7. Clothing and accessories:**

- Personalized T-shirts
- Caps and hats
- Sweatshirts and polo shirts
- Facial masks and protectors

**8. PHealth and wellness products:** Hand sanitizers, first aid kits and other related items.

**9. Event and trade show items:** Lanyards, badges, wristbands and other items ideal for mass events.

**10. Business cards and stationery:** Variety of styles and finishes for cards and other stationery.

**11. Corporate gifts:** From key rings to luxury items, ideal as gifts for clients or employees.

**Opus Virtual Offices.** Company that offers virtual office solutions for companies and professionals. Their services are designed to provide a corporate presence to companies without the need for a traditional physical office space. Some of the services they offer are:

**Corporate Business Address:** Allows companies to have a prestigious physical address in one of Opus' locations without having to rent physical office space.

**Mail and Parcel Receipt:** Companies can receive mail and parcels at the virtual address provided by Opus, and then decide whether they want to be forwarded or notified for pick-up.

**Telephone Reception Service:** Opus provides a local or toll-free telephone number for the business, and a live receptionist answers calls on behalf of the company.

**Voice and Fax Message Forwarding:** Incoming voice messages and faxes can be forwarded to the customer's e-mail, allowing for easy review and response.

**Conference Room:** Although the essence of the service is virtual, some Opus Virtual Offices locations may offer conference rooms or workspaces that can be

reserved and used as needed.

**Administrative Support Services:** In some locations, Opus may offer additional services, such as secretarial services or administrative support, although this may vary by location and may be subject to additional fees.

**Granger.** Leading distributor of industrial products and maintenance, repair and operations. Site where small businesses in construction, contractors, and others, can find products such as:

**Tools and Equipment:**

- Power tools
- Hand tools
- Cutting tools
- Measurement and testing tools

**Security:**

- Personal Protective Equipment (PPE)
- Signage
- First aid equipment and supplies
- Fall protection

**Electrical materials and supplies:**

- Lighting
- Cables and wires
- Electrical components

**Plumbing:**

- Pumps
- Valves
- Piping, tubing and fittings

**Construction materials:**

- Hardware
- Paints and paint supplies
- Sealing materials and adhesives

## **Cleaning and maintenance supplies:**

- Cleaning equipment
- Cleaning chemicals
- Vacuum cleaners and accessories

## **HVAC and refrigeration:**

- Fans and ventilation systems
- Air conditioners and supplies
- Heating

## **Office supplies:**

- Basic office supplies
- Furniture
- Office equipment

## **Operations and maintenance of facilities:**

- Material supply and management
- Material handling equipment

## **Motors and accessories**

**Crown Office Supplies.** Company that sells office supplies and other related products. Some of the services and products that Crown Office Supplies for business include:

### **1. Traditional Office Supplies:**

- Paper, pencils, pens, markers, folders, paper clips, etc.
- Desktop items, such as staplers, hole punches and tape dispensers.

### **2. Technology and Electronics:**

- Computer accessories, keyboards, mice, and other peripherals.
- Storage products such as USBs and external hard drives

### **3. Office Furniture:**

- Chairs, desks, shelving, filing cabinets and other office furniture..

### **4. Printing and Copying Supplies:**

- Ink and toner cartridges for printers.

- Specialty paper, such as photographic paper or labels.

### **5. Cleaning and Cafeteria Products:**

- Cleaners, towels, disinfectants and other cleaning supplies.
- Snacks, beverages and other supplies for break areas or cafeterias.

### **6. School Products:**

- Notebooks, backpacks, calculators and other school supplies.

### **7. Special Services:**

- In some cases, office supply companies may also offer printing, binding or product customization services

**Quill.** Online retailer selling a variety of office supplies and business solutions.

### **1. Office Supplies:**

- Paper, notepads, pencils, pens, markers, folders, paper clips, staplers, and more.

### **2. Technology:**

- Computers, printers, peripherals (such as keyboards and mice), computer accessories, storage devices (USB, external hard drives), and more.

### **3. Office Furniture:**

- Desks, chairs, bookcases, filing cabinets, office lamps, and other furniture and accessories..

### **4. Cleaning Supplies:**

- Cleaning products, paper towels, disinfectants, garbage bags, and other related items.

### **5. Cafeteria and Food:**

- Snacks, beverages, utensils, and other supplies for cooking and resting areas..

### **6. Ink and Toner:**

- Ink and toner cartridges for a variety of printer brands and models..

### **7. School Products:**

- Backpacks, calculators, notebooks, and other necessary supplies for students.

## 8. Health and Wellness:

- First aid, vitamins and supplements, personal care and other health and wellness products.

## 9. Shipping and Packaging Material:

- Boxes, tape, stuffing material, labels, and other shipping supplies.

**Shirtsy.** Offers printed products on t-shirts, jackets, pants, among others, according to business demand and offers NET30 terms for payments. Good opportunity to help your business build credit.

## Card options for businesses that consume products in the following chains:

[Lowes](#)

[Home Depot](#)

[Amazon Negocios](#)

[Office Depot](#)

[Staples](#)

[Sams Club](#)

[Advance Auto Parts](#)

[Exxon Mobil](#)

**Invoice Finance Lines of Credit (Factoring):** These lines allow companies to obtain immediate capital by selling their outstanding invoices to a third party (a factor) for a slightly reduced amount. This can not only improve cash flow but also, with proper management, can help build credit.

**Credit Union Commercial Lines of Credit:** Credit unions often offer more favorable terms than traditional banks and can be an excellent option for smaller businesses or those with unique credit needs.

**Microloans and Lines of Credit from Non-Traditional Institutions:** There are many non-traditional organizations, often with a focus on small businesses or specific industries, that offer microloans and lines of credit.

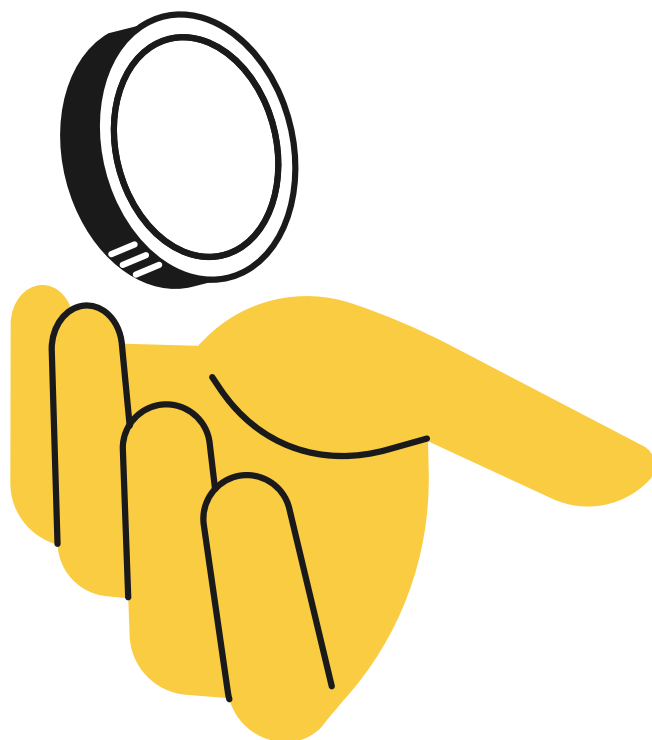
**Online Lines of Credit:** With the rise of financial technology, there are many online platforms that offer lines of credit to businesses. These options often have faster application processes, although interest rates may be higher than traditional options.

**Commercial Equipment Lines of Credit:** If your business depends on specific equipment, it is possible to obtain a line of credit specifically to finance the purchase or lease of that equipment.

If you are interested in applying for a business line of credit, working capital, equipment financing, short term loan, factoring, MCA, or any other financing option, visit our business page and fill out the form:

### [Business Loans](#)

When considering any line of credit, it is crucial to read and understand all terms and conditions. Proper management, such as making payments on time and not overdrawing the line of credit, is essential to building a positive credit history. On the other hand, late payments or defaults can severely damage your company's business credit.



# FAQ



# 1. How long does it take to build business credit?

The time required to build credit for a business can vary depending on a number of factors. There is no set time frame, but here is a general breakdown of what you can expect:

## **Beginning – Establishing the Foundation (0-6 months):**

- Incorporate your business: Make sure your business is legally separate from your personal finances.
- Obtain an Employer Identification Number (EIN): This allows credit bureaus to track your company's finances.
- Open a business bank account: Not only does this help you separate your finances, but some credit bureaus consider the age of your business bank accounts.
- Request a DUNS number: Dun & Bradstreet is one of the major commercial credit reporting agencies and the DUNS number is how they track you.

## **Growth – Early Establishment (6-12 months):**

- Obtain business credit: This can be in the form of a business credit card, lines of credit with suppliers or a small business loan.
- Pay on time: Always make sure you pay all your bills and debts on time. This is the key to building good credit.

## **Development – Active Construction (1-2 years):**

- Establish and expand lines of credit: As your business grows and you have more operations, you may need more credit. Establishing additional lines of credit and making sure you manage them correctly helps build your credit profile.
- Review your business credit report: Make sure the information reported about your business is correct. If there are errors, work to correct them.

## **Maturity – Maturity and Maintenance (2 years and older):**

- Diversify your sources of credit: As with personal credit, a diverse mix of credit (cards, term loans, lines of credit, etc.) can be beneficial.
- Continue to monitor your credit: Stay on top of your credit profile and keep working to improve it.

For many companies, a solid credit history can begin to be established within 1 to 2 years of conscious and strategic operation. However, achieving an “excellent” credit profile can take longer, often 2 to 5 years or more, depending on the frequency and volume of credit transactions, as well as the overall financial management of the business.

It is important to remember that, like personal credit, business credit is a reflection of a business’ financial history. Responsible financial decisions and timing are the keys to building strong credit.

## **2. How can I check my business credit report?**

Reviewing your business credit report is critical to ensure that all information is accurate and to understand how lenders and other creditors view you. Fortunately, the process is similar to reviewing your personal credit report. Here’s how to do it:

### **Identifies the Major Commercial Credit Reporting Agencies:**

The major agencies that provide credit reports for businesses are:

- Dun & Bradstreet (D&B): One of the best known agencies, and you will probably need a DUNS number to review your report here.
- Experian Business
- Equifax Business

### **Request your Report:**

- Go to the credit reporting agency’s website and follow the instructions to re-

quest your business credit report. You may need to provide details such as the name of your business, your EIN number and/or your DUNS number.

- Note that unlike personal credit reports (where you are legally entitled to a free copy of your report from each agency once a year in the U.S.), you may have to pay for your business credit report.

### **Review the report in detail:**

- Once you have the report in hand, review each section carefully.
- Verify that basic business information, such as address and phone number, is correct.
- Make sure that all accounts listed are recognized by you.
- See if there are any queries in your report that you do not recognize.
- Review any notes or comments there may be, especially if they indicate late payments or defaults.

### **Corrects Errors:**

If you find any errors or inaccuracies on your business credit report:

- Contact the credit reporting agency and follow their process to dispute and correct the information.
- You may need to provide documentation or evidence to support your claim.
- Be sure to follow the entire process until the error is corrected.

### **Regularly Monitor:**

- As with personal credit, it is a good practice to regularly review your business credit report.
- Consider setting up alerts or monitoring, if offered by the agency, to be notified of significant changes or queries in your report.

Understanding and monitoring your business credit report not only allows you to stay on top of your credit standing, but also helps you detect early signs of fraud or misuse of your business identity. It is a fundamental practice to maintain the financial health of your business.

## 3. What factors influence the credit rating of my business?

A business credit rating, similar to a personal credit rating, is determined by a number of factors that credit bureaus use to assess the risk of a business. These factors indicate the likelihood that the business will default on its financial obligations. Below are the key factors that will influence your business credit rating:

### **Payment History:**

- How punctual has your business been in paying its bills and debts?
- Late or missed payments will have a negative impact on the credit rating.

### **Credit utilization:**

- The proportion of credit your business is using in relation to the total credit available.
- High credit utilization (i.e., a large debt balance relative to the credit limit) may indicate higher risk and thus negatively affect the rating.

### **Credit Seniority:**

- The length of your credit history. Older companies with an established credit history often have a higher rating than new companies.

### **Type of Credit:**

- The diversity of your credit accounts, including lines of credit, commercial credit cards, term loans, among others.
- A diversified mix is generally favorable for credit ratings.

### **Recent Debts:**

- If your business has recently taken on a large amount of debt, it could be seen as a major risk.

### **Company size:**

- In some cases, the size of the company (either in terms of sales, assets or number of employees) may influence the credit rating.

### **Public Information:**

- Bankruptcies, liens, judgments or lawsuits can negatively affect the credit rating of your business.

### **Industry:**

- Depending on the credit bureau, the sector or industry in which your business operates may influence the rating due to risk factors specifically associated with that industry.

### **Financial information:**

- The agencies may review financial statements (such as balance sheets and income statements) if available. A sound financial situation can improve the credit rating.

### **Relationships with Suppliers and Lenders:**

- Positive and consistent relationships with suppliers and lenders, such as paying invoices on time or early, can positively influence the rating.

### **Number and Severity of Consultations:**

If there are a lot of recent inquiries on your business credit report, it could indicate that you are actively seeking credit, which can be a sign of risk for some lenders. It is essential to be aware of these factors and actively work to improve those aspects that may be negatively affecting the credit rating of your business. Maintaining a solid credit profile can open many doors in terms of financing, supplier payment terms and growth opportunities.

## 4. What do I do if I find errors on my business credit report?

If you find errors on your business credit report, it is crucial to act quickly to correct them. An inaccurate credit report can affect your ability to obtain financing, the terms on which you can access credit and may give the wrong impression to potential suppliers or partners.

Here are the steps to follow if you find errors on your business credit report:

### **Document the Error:**

- Make a copy of the credit report showing the error.
- Highlight or mark the specific error so that it is easily identifiable.

### **Gather Evidence:**

- If you have documents or evidence to support your claim of error (such as receipts, paid invoices, contracts, correspondence, etc.), compile them. These will be essential when you file your dispute.

### **Contact the Credit Reporting Agency:**

- The major business credit bureaus (such as Dun & Bradstreet, Experian Business and Equifax Business) have specific procedures for disputing information.
- Go to the agency's website and follow the detailed instructions for disputing errors in the report. Many agencies offer an online process, but you may also consider sending your dispute by certified mail to have a record of the communication.

### **Contact the Information Provider:**

- In addition to the credit reporting agency, you should also contact the company or entity that provided the incorrect information (e.g., a supplier or lender).
- Inform them of the error and provide evidence to support your claim.
- Request a correction and ask for a written confirmation once the correction

has been made.

### **Follow the Process:**

- Once you have filed your dispute, the credit reporting agency generally has a specified period (e.g., 30 days) to investigate the error.
- During this time, the agency will verify the information with the provider and determine if the error needs to be corrected or removed.

### **Check the result:**

- Once the agency has completed its investigation, you will be informed of the results.
- If the information was corrected or deleted, you should be provided with a free copy of the corrected credit report. Verify that the error has been properly corrected.

### **Keep a Record:**

- Keep copies of all correspondence and documentation related to your dispute. This is useful in case the error recurs or if you need to reference it in the future.

### **Consider Adding a Statement:**

- If you are not satisfied with the outcome of the dispute, some agencies allow you to add a brief statement to your report explaining the situation. While this does not change the credit score, it provides context for those reviewing the report.

Remember that it is essential to regularly review your business credit reports to ensure that the information is accurate and properly reflects your company's financial health and credit behavior.

## 5. Can I use my personal credit to help finance my business in the beginning?

Yes, many entrepreneurs and small business owners use their personal credit to finance their businesses, especially in the early stages. However, while this can be a practical solution at first, it also comes with its own risks and considerations. Here are some common methods and their implications:

### **Personal Credit Cards:**

- Many entrepreneurs use personal credit cards to finance start-up expenses, purchase inventory or cover other costs.
- Make sure you understand interest rates and possible fees. If you carry a balance month to month, interest can add up quickly.

### **Personal Loans:**

- A personal loan can provide you with a lump sum that you can use to start your business.
- Make sure you understand the terms of the loan, including the interest and repayment period.

### **Mortgage or Home Equity Line of Credit:**

- If you have equity in your home, you may want to consider a refinance mortgage or a home equity line of credit (HELOC) to finance your business.
- However, keep in mind that you are putting up your home as collateral, which means that if you can't make the payments, you could lose your home.

### **Personal Guarantees:**

- Even if you are seeking a loan or line of credit for your business, the lender may ask for a personal guarantee. This means that if the business cannot repay the debt, you are personally responsible for doing so.

### **Considerations and Risks:**

**Mixing Finances:** Using personal credit to finance your business can complicate your finances, as you are mixing your personal finances with those of the business. This can complicate accounting and financial planning.

**Impact on Personal Credit:** If you default on your business-related financial obligations, your personal credit score may be negatively affected.

**Limiting Future Options:** If you use too much of your personal credit, you may limit your ability to access more credit in the future for both personal and business needs.

**Personal Liability:** By using your personal credit, you assume personal liability for the debt. This means that your personal assets may be at risk if the business is unable to repay the debt.

If you decide to use your personal credit to finance your business, it is essential to be aware of these risks and have a solid plan for how and when you will repay the debt. Also, as your business grows, it is advisable to explore financing options designed specifically for businesses, such as commercial loans or investors, and to separate business and personal finances.

## 6. What can I do if my application for commercial credit is rejected?

If your business credit application is rejected, it can be a frustrating setback. However, it's not the end of the road for your business. There are steps you can take to understand the reason for the rejection and increase your chances of success on future applications:

### **Request an Explanation:**

- By law, financial institutions are required to provide a reason why your credit application was denied. This explanation can provide you with valuable information about areas for improvement.

### **Review your Business Credit Report:**

- Order a copy of your business credit report through credit reporting agencies such as Dun & Bradstreet, Experian Business or Equifax Business.
- Review the report for errors or negative information that may have influenced the decision. If you find errors, dispute the incorrect information.

### **Work to Improve your Credit Profile:**

- If your business credit history was the problem, consider ways to improve your credit, such as paying existing debts on time, reducing overall indebtedness, or establishing business relationships with suppliers that report to credit bureaus.
- Consider other sources of financing:

There are many other options beyond traditional bank loans. You can explore angel investors, crowdfunding, microfinance loans, invoice-based financing or venture capitalists, depending on the nature and needs of your business.

### **Review your Business Plan:**

- A solid, well-structured business plan can positively influence a lender's decision. Make sure your plan is current, professional and demonstrates the viability and growth potential of your business.

### **Establish Lender Relationships:**

- Sometimes building a relationship with a bank or lender can make all the difference. Consider opening a business account, talking to a banker about your goals and demonstrating your financial responsibility over time.

### **Consider Alternative Lenders:**

- There are many online lenders and alternative lending platforms that may have more flexible approval criteria than traditional banks.

### **Reevaluate the Requested Quantity:**

- You may have applied for more financing than the lender is willing to provide, considering the size and financial situation of your business. In a future application, you may want to consider requesting a smaller amount or submitting additional collateral.

### **Requested again:**

- Once you have addressed the areas of concern and strengthened your finan-

cial and credit position, consider applying for credit again.

Remember that a rejection is not a reflection on the overall viability of your business. Many successful businesses have faced rejection when seeking financing. The key is to be persistent, learn from setbacks and keep working toward your goals.

## 7. Are commercial credit cards a good idea for building credit?

Business credit cards, when used responsibly, can be an effective tool for building credit for your business. Here are the advantages and considerations to keep in mind:

### **Advantages of using commercial credit cards to build credit:**

**Establishing Credit History:** As with personal credit, a consistent history of timely and responsible payments on a business credit card can help establish and improve your business credit score.

**Separation of Expenses:** Business credit cards allow you to keep your personal expenses separate from business expenses, which can simplify accounting and tax management.

**Access to Working Capital:** At times when finances are tight, a business credit card can provide temporary access to working capital.

**Benefits and Rewards:** Like personal credit cards, many commercial cards offer rewards, discounts and other benefits that can be valuable to a business.

**Higher Credit Limit:** Business credit cards generally have higher credit limits than personal cards, which can be useful for larger business expenses.

**Management Tools:** Many commercial cards offer expense management tools, reports and other resources that can assist in the financial management of the business.

## Considerations and precautions:

**Responsible Use:** As with any form of credit, it is vital to use the card responsibly. This means paying the full balance each month or, at the very least, always making the minimum payment on time.

**Interest Rates:** Credit cards often have higher interest rates compared to other types of financing. If you carry a balance month to month, interest can add up quickly, which can be costly to your business.

**Impact on Credit:** Failure to manage your business credit card properly, such as incurring late payments or using too much of your credit limit, can have a negative impact on your business credit rating.

**Personal Guarantees:** Some commercial credit cards may require a personal guarantee from the business owner. This means that, in the event of a default by the business, the owner may be personally liable for the balance on the card.

Business credit cards can be an excellent tool for building credit for your business, as long as they are used responsibly and managed properly. It is important to research and choose a card that suits your specific business needs and be aware of the responsibilities that come with it.

## 8. What practices should I avoid when building credit for my business?

Building credit for your business is crucial to its growth and long-term viability. However, there are certain practices you should avoid so as not to damage your credit profile. Below, we list some of the most common practices that can hurt your business' credit building:

### **Overdue Payments:**

Not paying your bills and debts on time is one of the most serious mistakes. A history of late payments can seriously damage your business credit.

### **Using Too Much Credit:**

Constantly maxing out your credit lines or credit cards may indicate that you are overextended, which can negatively affect your credit score.

### **Mixing Personal and Business Finances:**

Using personal credit for business expenses or vice versa can complicate your financial records and potentially hurt both of your credit scores.

### **Failure to Review Credit Reports on a Regular Basis:**

It is essential to regularly review your business credit report to detect possible errors that could affect your score.

### **Do Not Establish Credit:**

You may avoid acquiring any form of credit, thinking that cash is best. However, this does not allow you to build a credit history, which may be necessary for future expansion or financial needs.

### **No Diversity in Credit Lines:**

Relying on a single source of credit (e.g., a business credit card) can limit your ability to build a robust credit profile. It is helpful to have different types of credit, such as lines of credit, installment loans or trade credit with suppliers.

### **Close Old Accounts:**

The length of your credit history can affect your credit score. Closing old accounts, especially if they are in good standing, can shorten that history and affect your score.

### **Do not negotiate with suppliers:**

If you have payment terms with suppliers, it is essential to establish strong relationships and negotiate favorable terms. This can help in building credit if those suppliers report to the credit bureaus.

### **Applying for a lot of credit in a short period of time:**

If you apply for multiple lines of credit or loans in a short period of time, credit bureaus may see this as a sign of desperation or financial risk.

### **Ignoring Financial Problems:**

If you are facing financial difficulties, it is essential to address them immediately, either by adjusting cash flow, reducing expenses or seeking financial advice.

When building credit for your business, it is essential to take a proactive and responsible approach. Stay informed, organize your finances and adopt practices that promote a healthy credit profile.

## 9. Is it helpful to have multiple business accounts or credit cards to build credit faster?

Having multiple merchant accounts or credit cards can offer benefits in building credit for your business, but it also comes with additional considerations. Here are the advantages and cautions associated with this approach:

Advantages of having multiple accounts or business credit cards:

### **Credit Diversification:**

- Having different types of accounts (such as lines of credit, credit cards, term loans, etc.) can improve the diversity of your credit profile, which can potentially help increase your credit score.

### **Higher Total Credit Limit:**

- By having multiple cards or accounts, you are likely to have a higher combined credit limit. This can be beneficial if your business needs access to more working capital.

### **Better Credit Utilization Ratio:**

- If you use and pay various accounts responsibly, keeping balances relatively low in relation to your limits, this can result in a favorable credit utilization ratio, which can positively influence your credit score.

### **Flexibility:**

- Different cards or accounts may offer different benefits, terms and features. This can give you greater flexibility in how and when you use credit.
- Precautions and considerations:

### **Complex Management:**

- Managing multiple accounts requires a robust tracking system to ensure that all payments are made on time and no additional fees or interest is incurred.

**Potential Overextension:**

- With access to more credit, it may be tempting to spend more than your business can afford, which could lead to overextension and financial problems.

**Multiple Credit Applications:**

- Applying for multiple accounts in a short period of time can result in several hard inquiries on your credit report, which could temporarily lower your credit score.

**Associated Costs:**

- Some business credit cards or accounts may have high annual fees, maintenance costs or interest rates. It is essential to consider these costs before opening multiple accounts.

**Accumulated Debt Risk:**

- If not properly managed, multiple accounts can result in a significant accumulation of debt, which can negatively affect cash flow and the overall financial health of the business.

While having multiple business accounts or credit cards can offer advantages in terms of credit building, it is essential that business owners manage these financial instruments responsibly and carefully. Before opening multiple accounts, carefully assess your business's financial needs and capabilities, and make sure you have the right systems in place to manage them effectively.

# Start Building Credit for Your Business Now

Building solid credit for your business is not just a recommendation, it's a necessity in today's competitive business world. Having access to financing and favorable credit terms can be the bridge between keeping your business running and expanding it to new heights. As we've discussed throughout this article, building credit for your business involves much more than simply paying on time. It's about smart financial management, informed decisions and understanding how credit systems work.

While every business is unique and its credit needs will vary, the basic principles of credit building are consistent: pay on time, keep debt low, regularly monitor credit reports and diversify credit sources. In addition, it is essential that entrepreneurs recognize and avoid common credit building pitfalls and mistakes.

Ultimately, building credit for your business is an investment in its future. It's an ongoing process that, if managed correctly, can open doors to opportunities that would otherwise be out of reach. Dedicate time and resources to understanding and improving your business credit; the return in terms of growth and success may well outweigh the initial effort.

**Here's to your business thriving and reaching new horizons thanks to solid credit!**



Here's to your business thriving and reaching new horizons thanks to solid credit!



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