

## 12 Steps Guide to Building Business Credit



1. Incorporate your business. If you've already done this, skip this step. Otherwise, read this [helpful guide from the IRS on legal business structures](#), pick one, and incorporate.
2. Get an Employer Identification Number (also known as an EIN or a Federal Tax ID Number). <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer->

*An SIC code (Standard Industrial Classification) is a four digit numerical code assigned by the U.S. government to businesses in order to identify the primary activity of the business. .The NAICS ([North American Industry Classification](#)) replaced the SIC code back in 1997. This took the 4-digit (SIC) code to a 6-digit (NAICS) code system. The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. <http://www.census.gov/eos/www/naics>*

3. Acquire the necessary licenses for operating in your industry and your region. Obtain your business license. Check to find out what license is required for you to do business for your business to operate legally in your city, county, and state.
4. Establish a business bank account that you can use to consolidate business revenues and expenses in a separate location from your personal accounts.

5. Register with a credit reporting agency like [Dun & Bradstreet](#) and create a business credit profile. How to Build your (Paydex-score) <http://smallbusiness.chron.com/build-good-paydex-score-10156.html> [Dun & Bradstreet® Reports](#) Get a free assessment of your company's D&B credit profile today! [www.dandb.com](http://www.dandb.com)
6. Establish a business – Company domain name and website, business address, business mailing address , dedicated business email, business phone , <http://www.411.com> / listing
7. Apply for a diverse array of financing options, such as business credit cards, business loans, and lines of credit. Having a positive track record of making on-time payments across multiple credit accounts makes your business look good in the eyes of lenders—even if you don't really need them.
8. Monitor your business credit profile. Keep it updated and make sure that your payment history and trade references don't go unnoticed.
9. Keep track of your personal credit rating. Anyone who holds a significant share of the business may have their personal credit history come under scrutiny from lenders—especially in the case of fledgling small businesses. Ensuring that you have positive credit histories both personally and commercially can be critical in getting approval for various financing options.
10. Use financing responsibly. Be careful not to overextend your business financially (obviously, no one does this intentionally, but it can happen all too easily).
11. Pay bills on time and, when possible, in full. Nothing looks better to a creditor than a lengthy history of paying your credit off consistently and within terms.
12. If needed contact and connect with a credit repair company

By : <http://buildcredit.dnb.com>

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## **Managing Your Business Credit**

### **5 simple steps you should take to manage your business credit**

1. **Determine whether or not you already have a business credit file.** Small business owners should first know if they have a business credit file with D&B. You can find this out by calling D&B Customer Service at 1-866-785-0430 or visiting <http://iupdate.dnb.com/iUpdate/mainlaunchpage.htm>.

If you don't have a business credit file, establish one by applying for a D-U-N-S® number. Small businesses should apply for a D-U-N-S® number, a unique business identification number, as soon as they start their enterprise to start the process of creating a business credit file.

If, when you call or visit the D&B web site, you determine that you already have a business credit file, review it completely to understand what information it contains. Add or modify the information as necessary to ensure that those looking at your business credit (such as vendors, suppliers and financial institutions) are making decisions based on complete and accurate information.

2. **Establish a business credit history.** When they are starting up, many small businesses use their personal credit and finances to get their business going. But they should establish a credit history by putting expenses (such as a business phone line) in their business name and using a commercial bank account to pay their bills.
3. **Pay bills on time – and understand other factors that influence your credit rating.** In order to improve your commercial credit scores and build a positive payment history, the most important thing to do is pay your bills on time. Be very careful not to overextend your business, and use any line of credit judiciously. While payment behavior is important, credit ratings are based on multiple factors. D&B, for example, maintains 150 factors that go into a credit rating, such as industry, revenues and number of employees.
4. **Monitor your business credit file and keep it up to date.** According to D&B, the credit score of about one in three businesses declines over just a three-month period. By monitoring your business credit file, you will be aware of any change in your ratings before it affects your relationships with customers, suppliers and financial institutions. You should keep your credit file current and accurate, reflecting changes such as location, number of employees, outstanding suits/liens and revenue - all of which impact your credit rating
5. **Monitor your customers' and vendors' credit.** Monitoring credit reports that provide a clear and complete picture of the credit standing of your

customers can help you to determine how much credit, and on what terms, you should extend by :<http://www.sba.gov/content/managing-your-business-credit>