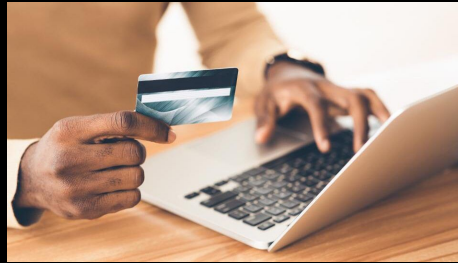




Welcome to the Kennedy Legacy Group
Business Credit Seminar

BUSINESS CREDIT

- Business Credit is credit that is obtained in a *Business Name*.
- With business credit the *Business* builds its own credit profile and credit score.
- With an established credit profile and score, the business will then qualify for credit.



BUSINESS CREDIT

- The credit is in the business name and based on the business's ability to pay, not the business owners.
- Since the business qualifies for the credit, in some cases there is no personal credit check required from the business owner.



BUSINESS CREDIT

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



BUSINESS CREDIT BENEFITS

- A credit profile can be built for a business that is completely separate from the business owner's personal credit profile
- Business credit can be built fast
- Very high credit limits
- No personal credit check or guarantee
- Anyone can see your business credit
- No collateral or financials required



BUSINESS CREDIT USING YOUR EIN

- Just as you have a SSN, your business has it's own identifier... an EIN
- And just as you can build credit for your SSN, your business can build credit for its EIN
- When done properly, your business can qualify for credit based on its EIN not needing your personal guarantee



BUSINESS CREDIT USING YOUR EIN

- If you buy a car, it's your choice to add a cosigner or not
- If you add them, BOTH of your credit is used for the approval decision
- But you can also apply alone without another signer
- In this case, only your credit would be used to determine your approval



BUSINESS CREDIT USING YOUR EIN

- Business credit works the same way, on the application for credit you can decide whether you want only your EIN credit to be evaluated, or both your SSN and EIN credit
- If your EIN has an established credit profile and score, it can often stand alone and qualify without the personal SSN credit check
- When this happens, you get approved without a personal credit check or guarantee



BUSINESS CREDIT USING YOUR EIN

- You will NOT be approved if you go to a bank or store first
- Start with vendor accounts who offer net 30 terms, then give them up to 90 days to reports your new accounts after you use them and pay your bills
- With 5 accounts you can then start getting store credit
- And with 10 accounts you can start getting cash credit cards



BUSINESS CREDIT USING YOUR EIN

ALL highly-successful businesses have business credit, it's why their owners don't need to guarantee their business debts...



BUSINESS CREDIT

- Business credit can be built VERY fast, so it won't take long to have a profile that can stand on its own
- Get 5 vendor accounts the first 90 days
- Then get 5 revolving store cards
- And within 4-6 months you should then qualify for cash credit such as Visa and MasterCard credit cards

BUSINESS CREDIT IN 4 STEPS

- You can build business credit in 4 total steps
- These steps must be done in order to get approved and avoid personal credit checks and supplying personal guarantees
- Do NOT skip steps, if you do this in the correct order you'll get approved... if not you'll be denied



BUSINESS CREDIT IN 4 STEPS

- The first step is to insure your business is setup credibly
- To get approved for initial credit, only your application will be reviewed
- So that app must reflect that you are a real legitimate business to get approved
- Business address, phone, fax, licenses, entity setup, bank account open, EIN number, 411 listing are all essentials

BUSINESS CREDIT IN 4 STEPS

- Next you should start getting approved for vendor accounts
- Some of these vendors will require you to place 2-3 orders to get approved initially
- Make sure you use vendors who do report to the business CRAs

BUSINESS CREDIT IN 4 STEPS

- After you have 5 accounts reporting, then you can move on to revolving store credit cards
- Some good starter stores include Best Buy, Amazon, and Dell
- When applying don't include your SSN on the application, even if you must call them for approval
- Using your SSN means they will pull your personal credit and you'll be giving a personal guarantee

BUSINESS CREDIT IN 4 STEPS

- Finally, with 10 total account reporting you can start to apply for cash credit cards •
These are Visa, MasterCard, and Amex cards you can use anywhere
- Many banks offer them, and so do some stores such as Home Depot
- Remember, don't include your SSN... this is credit for your EIN only

BUSINESS CREDIT CARDS

- There are a lot of different types of business credit cards today
- The easiest way to see the difference between them is to know that some require a personal credit check and guarantee, and some don't
- The ones that do usually require VERY good credit for approval
- There are some subprime cards that don't required good personal credit, but limits are small



BUSINESS CREDIT CARDS

- Unsecured Business Financing is a popular type of financing often used by startups and companies without financials
- With this loan program a lender can help you get approved for 5 business cards for your business equal to your highest limit cards now
- These accounts report to the business CRAs
- They often come with 0% intro rates
- They require 680 type credit scores or higher and a PG

BUSINESS CREDIT CARDS

- You can also get PG cards from many top banks
- Chase is one of the top issuers of business credit cards, Amex is another
- These cards do require very good personal credit for approval
- Be careful, and choose wisely, most issuers will only approve you with 5 inquiries or less on your consumer credit



BUSINESS CREDIT CARDS

- You can also secure true business credit that's linked to your EIN not your SSN
- With business credit you can get store revolving cards and Visa, MasterCard, and Amex credit
- No PG or consumer credit pull is required for approval
- First you need your business setup correctly
- Then you get approved for vendor accounts
- Next you start getting store and cash credit

DUN & BRADSTREET PAYDEX

Dun & Bradstreet's Business Paydex Scores Are based on Payment History

- Expect payment may come early - 100
- Payment is prompt - 80
- Payment comes 14 days beyond terms - 70
- Payment comes 21 days beyond terms - 60
- Payment comes 30 days beyond terms - 50
- Payment comes 60 days beyond terms - 40
- Payment comes 90 days beyond terms - 30
- Payment comes 120 days beyond terms - 20

BUSINESS CREDIT

- Approval limits are much higher on business accounts versus personal accounts
- Per SBA, credit limits on business cards are usually 10-100 times higher than consumer credit



BUSINESS ADDRESS

- Must be a real brick-and-mortar building
- Deliverable physical address
- Cannot be a home address
- Cannot be a PO Box
- Cannot be a UPS address
- Some lenders will not approve and fund unless this criteria is met

BUSINESS ADDRESS SOLUTIONS

- Address Only - Receive mail and packages at your dedicated business address
- Virtual Office - Professional business address, dedicated phone and fax numbers, receptionist services, and parttime use of fully furnished offices and meeting rooms
- True Office - Your own full-time private office with receptionist services, dedicated phone and fax, internet, full furnishings, meeting rooms, and more

BUSINESS FAX NUMBER

- Lenders perceive a credible business as one with a fax number
- As a business you will need a fax number to receive important documents, you will also need it to fax in some of your credit applications
- You can setup an e-fax that goes directly to your email

BUSINESS WEBSITE

Credit providers will research your company on the internet.....

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

BUSINESS EMAIL

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

BUSINESS EMAIL

- Avoid using free email services like Yahoo and Hotmail
- There is nothing worse than credit providers seeing an email address like partychic2015@yahoo.com
- The Email address should be yourcompany.com
- A great example is an email like support@yourcompany.com or john.smith@yourcompany.com Bank Accou

BUSINESS BANK ACCOUNT

Your business banking history is vital to your future success of being able to secure larger business loans

- The date you open your business bank account is the day that lender's consider your business to have started
- So if you incorporated your business 10 years ago, but you just opened the business bank account yesterday, then your business started yesterday
- The longer your business banking history, the better your borrowing potential will be

BUSINESS BANK ACCOUNT

Having a high account balance is essential in obtaining an excellent Bank Rating.....

- Having a good Bank Rating is essential for loan approval down the road
- Try to keep a bank balance of \$10,000 or higher for a 5 Bank Rating

LICENSING

One of the most common mistakes when building credit for your company is non-matching business addresses on your business licenses.....

- Even worse is not having the "required" licenses for your type of business to operate legally
- You will need to contact the State, County, and City Government offices to see if there are any required licenses and permits to operate your type of business

LICENSING

- State business filings listed correctly
- County license and/or permit filings listed correctly
- City license and/or permit filings listed correctly
- IRS filings listed correctly

BUSINESS LISTINGS

Take the time to verify that main agencies (State, IRS, Bank, and 411 national directory) have your business listed the same way and with your Exact Legal Name.

- Also take the time to ensure every bill you get (power bill, phone bill, landlord, etc.) has the business name listed correctly and comes to the business address

BUSINESS CREDIT REPORTS

Business Credit reports are offered by Experian, Dun & Bradstreet, and Equifax

- You will first want to get a copy of your business credit reports to see what is being reported

EXPERIAN

Visit <http://www.smartbusinessreports.com/> for a copy of your Smart Business report

- \$49-99 for Smart Business Report
- Find out how many trade lines are reporting, see if you have a business credit score assigned, see if you have an active Experian Business Profile, and check on recent inquiries

EQUIFAX

You can purchase a copy of your Equifax Small Business Credit Report here

http://www.equifax.com/small-business/credit-report/en_sb

- It typically takes more time to create a file with Equifax Small Business than D&B and Experian
- This is why it's important to apply with the credit providers who report to Equifax
- \$99.95 for a full report

DUN & BRADSTREET DUNS NUMBER

Obtaining a Dun and Bradstreet number (D-U-N-S #) begins the process of building your business credit profile with them.....

- Your D-U-N-S # will also play an important role in enabling your business to borrow without a personal guarantor
- <http://www.dnb.com/>
- DBC will “roll” this into a package and charge you 2k or possibly more

BUSINESS TELEPHONE

You must have a dedicated business phone number that is listed with 411 directory assistance, under the business name.....

- Lenders, vendors, creditors, and even insurance providers will verify that your business is listed with 411
- A toll-free number will give your business credibility, but you must have a LOCAL business number for the listing with 411 directory assistance

BUSINESS TELEPHONE

Lenders perceive 800 Number or toll-free phone numbers as a sign of business credibility.....

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

BUSINESS TELEPHONE

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