

Burnett & Associates, Inc.

# Newsletter



Issue: # 002  
2/6/2012

Is your business fundable or questionable?

## Business Credit

The most common question we get asked when we are doing business coaching or speaking to business organizations is: **What is the one thing you would recommend for me and my business?** The answer: Learn about Business Credit.

Business Credit is the surest way to take your business to the next level. Once Business Credit is established, your business can begin to create income without you! Because each time the company acquires credit on its own, it increases the company's net worth. Since the credit is based on the Tax ID of the business, and not the social security number of the owner, the credit it establishes is an asset of the business that is fully transferrable.

### What is Business Credit?

Business Credit is the ability to obtain financing under the name of the business entity. It is separate from personal credit and is based on the assessment of the business by Dun & Bradstreet and Corporate Experian.

### What is the difference between corporate credit and personal credit?

The big difference is that with personal credit, you'll be limited in the amount of credit you can receive. The more you use your personal credit to finance your business, the worse off your personal credit score will be.

Business credit is not limited to the amount you can receive, interest rates are usually lower than what you'll pay personally, there is no LTV (Loan to Value), and inquiries have no impact on the business's credit score. Your company has the ability to obtain 10 to 100 times the credit you can obtain personally!

### What types of Business Credit is available?

There are two types of Business Credit you need to know about: trade credit and cash credit. Trade credit is vendor credit. It can only be used for purchasing goods from the issuer's location. For example, a Staples card can only be used at any Staples location.

Cash credit is credit cards, loans or lines of credit. This can be used for purchasing goods from any vendor. For example, a Chase Visa card can be used at any gas station, office supply store, or ATM to obtain cash. This type of credit has very few limitations.

### CAN'T WAIT TO LEARN MORE?

Be sure to check out the Business Academy section on our website or give us a call to set up a consultation with one of our business experts!

877-836-9691

## Strategy Tips

### Strategy Tip #1

Think beyond today! All leading economic indicators project a more profitable 2012. Will your business be able to get the credit it needs to ride the uptick? When it's time to bid on the big jobs will you be ready?

### Strategy Tip #2

Lenders have money to loan! Lenders want to loan money, but not to companies they deem to be "high risk". So the goal is to make your business appear low risk

### Strategy Tip #3

Think about your business from a vendor prospective. Would you give credit to you if all you saw was a local phone number, no website, and no established trade accounts?

### Strategy Tip #4

Are you invisible to underwriters? Have you established a credit profile with D&B or Experian for the business? Would your business show up on anyone's radar?

## Upcoming Webinar February, 29th, 2012

If you are interested in discovering more on Business Credit, join us on February 28th, 2012 at 4:00 p.m. PST for our monthly webinar. Get your invitation and learn how easy it can be to establish credit for your business.

Remember: "The More You Know, The Less You Owe"