

CORPORATE CREDIT SECRETS

Unlimited Business
Credit Loans



MONTH 2: Build A House On Your Foundation

Now that you have started your business correctly to access credit, you are prepared to start building your business credit. Let's go over some strategy that no other corporate credit programs talk about before we move on to the next step.

First of all, building corporate credit should be done for something you are passionate about doing for years to come. You are going to build a service and you should find joy in what you do serving others. Since you have to go through all the steps of building a business then go ahead and make your business all about what you love to do in serving others. That means make a part of this business a service, probably management as a part of the service.

Why Services And Not Products?

Because it is harder for a lender to know exactly how big a service business is, compared to being a product manufacturer. Therefore you can get much better corporate credit if you are in the service industry. Even if you are in products, have a service as an adjunct to your products. You're soon to have a thriving business and good corporate credit when you finish this process. This is a key point as to why you want an ongoing business.

100% PROFIT HACK: What if you were to use this corporate credit to donate all of the credit to a trust? Nice enough, this legal. You'll start another trust, or C Corp, and have it ready with a bank account to transfer to, because all you really need to do is to give your website a new bank account and routing number. The rest can remain the same.

Notice Regarding Social Security Numbers

Even though an application asking for credit may have a space for a social security number, never fill in a social security number.

Net Term Accounts & Credit Scores

The common **first step** in building the credit of this corporation is to get **Net term accounts** with businesses that report to Dun and Bradstreet.

Unlike personal credit, corporate credit is reported via a **Paydex score** from Dun & Bradstreet with a scale of 0 – 100. 80 is the minimum credit score needed for corporate credit. At 80 you pay the terms of your agreement on time. Above 80, you pay ahead of your agreed time. Less than 80 and you are paying late. Corporate credit scores are simply about how fast you pay bills.

Now these Net terms accounts are about getting credit that needs to be paid back in however many days it says after the word Net. Net 30 you must pay within 30 days. Net 10 you must pay

within 10 days. The focus should be on starting at least (3) Net 30 accounts and (4) Net accounts all together, though (5) is added insurance.

This area of Net 30 accounts is always a moving target. Many companies will give credit to new companies but very few report to Dun & Bradstreet. You only want the ones that report to Dun & Bradstreet. No other vendor accounts will help build corporate credit.

Part of your work is finding these accounts. Some longtime leaders in this industry and still doing this type of accounting are the following vendors:

- www.grainger.com
- www.quill.com
- www.seton.com
- www.uline.com

IMPORTANT: This a very important piece of the puzzle that is always moving. If you ever find a Net terms account that reports to Dun & Bradstreet email me immediately at contact@jackmccaig.com and we will update this list + give you a special finder's fee bonus!

Now that you have found these accounts what do you do? You want to make a purchase of just over \$100 with each one and then click the bill me option at checkout. Pay the day the bill comes in the mail, with a check whenever possible, but they take payments over the phone too. The most important thing is to be early in payments!

In each successive month you must make another purchase from each of your Net terms vendors but these purchases can be for any amount over \$50.

Sometimes these accounts can take 30, 60 or 90 days to report, although usually they are fast. Call and ask them to report if it has been 30 days and they haven't reported yet.

After your credit applications are approved at (3) Net 30 terms creditors and you make 3 months of successful on-time payments in a row, your company will have a Paydex score of 80.

CREDIT HACK: An *alternate choice* for those with a good or great personal credit scores, is to get as many accounts as you want *with a personal guarantee*. This simply means that you are signing up for these credit accounts with your person AND business. Once you are reporting with your business you can remove the personal guarantee. While this is **not** necessary it saves a bunch of money and time. It saves money because you will use these cards for your regular day-to-day purchases. Whereas normally you would be forced to pay for products from the Net 30 account at the store, instead of using it for ANY purchase you want.

For example, I ordered a box of laundry detergent and toilet paper from one of my net 30 accounts at a higher price than I would have paid elsewhere. These 3 opening accounts will be credit cards. These are the 3 types of credit cards to get if your personal credit is good enough that report to your business score and some report to your personal score too. All the rest of the

accounts you get from here on out you won't get with a personal guarantee. Each one has different card options so pick the one you can get and has the perks you like. If you go this route make sure you get the Chase and Capital One cards first. In fact, you can **get two** of the Chase or Capital One cards instead of the Amex or Citi cards.

Get a total of 3 credit cards from this group with a personal guarantee, no more:

- Chase Ink
- Capital One Spark
- American Express Business
- Citi Business

How Do You Know You Got A Paydex Score Of 80?

Sign up with **CreditSignal** by Dun & Bradstreet, which is a free service. It will keep you updated as to how the score is doing.

One of the most common denial reasons for any credit at any level is your company information does not match somewhere. On Dun & Bradstreet it says 124 Long Street #33 and on your application it says 124 Long Street Number 33. They won't approve your account unless all this information matches **EXACTLY, all the time. To get your registered address, pull up the USPS approved address for your location and always use that.**

Sign up to get a service called **NAV**. It costs about \$65 quarterly and gives you monthly updates to your personal and business credit. It also gives alerts during the month in between reporting.

Get a business credit reporting subscription for the year from Experian, it costs under \$200 and updates every day. You will be very up to date about your accounts that report to Experian.

Not every vendor that reports does its reporting to both Dun & Bradstreet and Experian so you need both reports to see if how your corporate credit is going so you know when to take the next step or if a problem comes up you see it and cure it right away.