

## SMALL BUSINESS TIP: GROWING AND MAINTAINING A HEALTHY BUSINESS CREDIT SCORE



Owners of new and young small businesses have a plethora of elements to manage and oversee every day to ensure success. While you focus on income, expenditures, employees and marketing, thinking about your business' credit can sometimes fall by the wayside.

To ignore your business credit score could be a fatal mistake. It's an essential link in the chain of success. If you're concerned about your company's image that your customer base sees, you should be just as concerned about how your business credit looks to essential people like lenders and potential business partners. And just think of how your personal credit can affect your life—the difficulties that bad credit poses for an individual can end up plaguing your firm too. It's also important to remember that anyone can view your business credit report and score for any reason, unlike the information in your personal credit file.

With the everyday rush of tasks that comes with small business ownership, it can seem difficult to add yet another thing to monitor, but your company depends on

it, especially small businesses looking to grow. There are good resources out there that can help you learn to manage your business credit, and providers that offer business credit reports (singly or in subscription packages) that detail payment trends, credit risk scores, monitoring alerts, industry benchmark data and more.

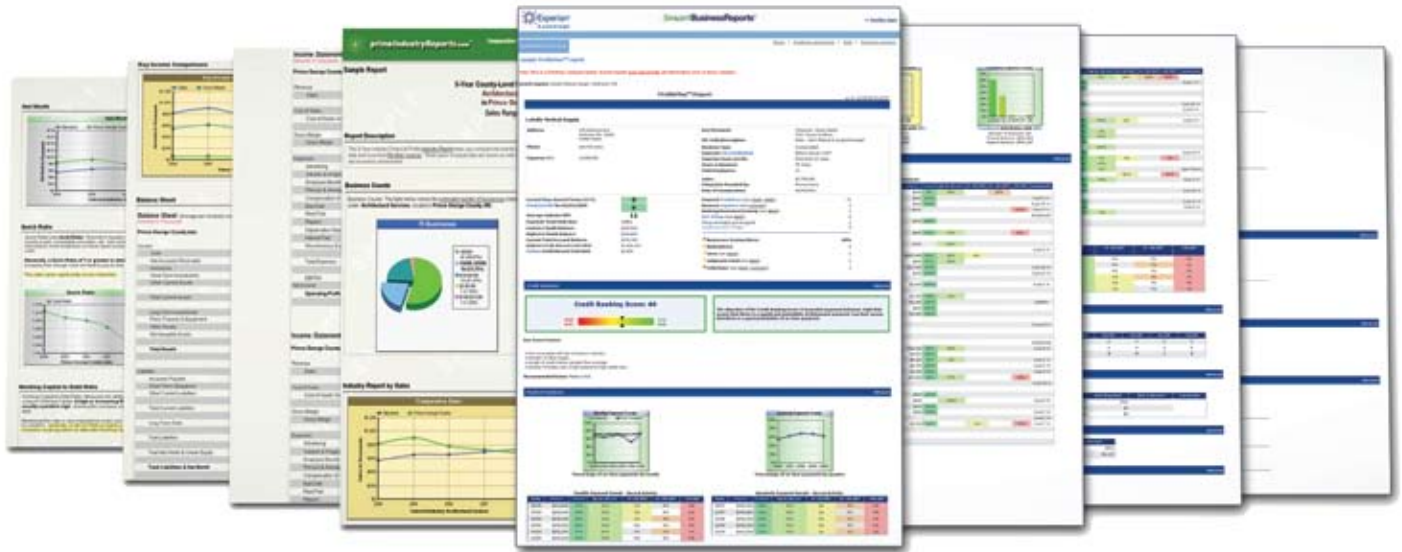
**Now, as the economy begins to recover, is the time to start focusing on your business credit score. Here are some tips to get you started.**

### 1. CHECK

Know what is in your business credit report at all times and understand your business credit score. Your business credit report is used to make important financial decisions about your company—how much money lenders will loan, how much credit suppliers will extend and what interest rates to charge.

### 2. CORRECT

Be proactive. Make sure your business information is accurate and up-to-date. Outdated or incorrect



information can give the wrong impression about your business, resulting in unfavorable decisions that negatively impact your bottom line.

### 3. PROTECT

Monitor your report regularly and sign up for alerts that warn you of changes that could indicate fraudulent use of your business credit information. Popular alerts include notifications on inquiries and new trade lines. Furthermore, protect your business from non-paying customers, partners and suppliers by checking their business credit report before doing business with them.

### 4. SEPARATE

Separate personal from business expenses to build business credit tradelines. In the beginning, when you start a business, using personal guarantees and credit is needed. However, the weakness of relying solely on personal credit is clear. If your business ever becomes at risk, your personal credit score becomes at risk as well. Failing to separate

business from personal credit can also limit your business growth potential.

### 5. GROW

Manage the factors that drive your score to make a positive impact. This can lead to more opportunities to grow your business, ranging from gaining capital to gaining customers. Take good care of your small business name and reputation. Choose to work with lenders, suppliers and creditors that report your payment history to the credit bureaus. And of course, pay your bills on time.

When you take the time to build and maintain your business credit history, you'll be building your business' reputation and ability to succeed. For more information on business credit resources, plus articles and tips on the subject, go to [www.BusinessCreditFacts.com](http://www.BusinessCreditFacts.com). To sign-up for business credit monitoring services from Experian, visit [www.SmartBusinessReports.com](http://www.SmartBusinessReports.com).