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## What You Should Know about Your Business Credit

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(ARA) - You've got a great idea and the capital and know-how to make it happen. But entrepreneurial success also depends on something else many small business owners don't pay enough attention to: the business' credit.



"Just as your personal credit has a big impact on your financial health, your business credit can help you get competitive business loan rates and terms from potential suppliers," says Marc Kirshbaum, president of Experian's Business Information Solutions group. "Having complete, up-to-date information on your [business credit report](#) and a good business credit score is the best way to obtain favorable financial terms."

The current economic climate makes it more important than ever for small business owners to know their business credit score, Kirshbaum adds. Small businesses, which often have challenges managing cash flow, are especially vulnerable to economic changes. A strong credit score can help small business owners access additional capital during difficult times.

Don't assume that your favorable personal credit score will be enough to secure a good business credit score, either, Kirshbaum cautions. While lenders and vendors may initially consider your personal credit history, once your business pays its first bill, it will begin building its own credit history.

Here are some basic facts every small business owner should know about business credit ratings:

- \* Business scoring is much less regulated than consumer credit scoring. The process of scoring your business is much more complicated and less clear than the consumer scoring process.
- \* Just because you have a business, don't assume you have a business credit score. Credit reporting companies require a minimum amount of information before they can generate a report and score for your business. To establish your business credit history, encourage vendors to report your payment history to one of the major credit reporting companies. Many credit reporting companies can provide you with information on suppliers who report to them.
- \* Don't rely on your personal credit rating to finance your business. If your business becomes at risk, so will your personal credit score. Keep in mind that many creditors are now looking at scoring tools that consider both personal and business credit to predict small business risk.
- \* Access to business credit scores and reports are not as restricted like personal credit reports. Business credit reports are available to the public, and anyone - including potential lenders and suppliers - can view your business credit report. This makes it imperative to monitor your business credit score and report.
- \* You can proactively manage your business credit score. Ensure your vendors are reporting your business payment history, and monitor your business' credit on a regular basis. Experian's [BusinessCreditFacts.com](#) provides easy access to business credit reports and information about the business credit scoring process.

The site offers a question and answer section on establishing business credit, the credit information available on a business credit report, and how to maintain good business credit. You'll also find tools for

submitting requests to update your company's demographic information, and links to access your business credit report and monitor it on an ongoing basis.

For answers to your questions about business credit, visit <http://www.BusinessCreditFacts.com>.

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