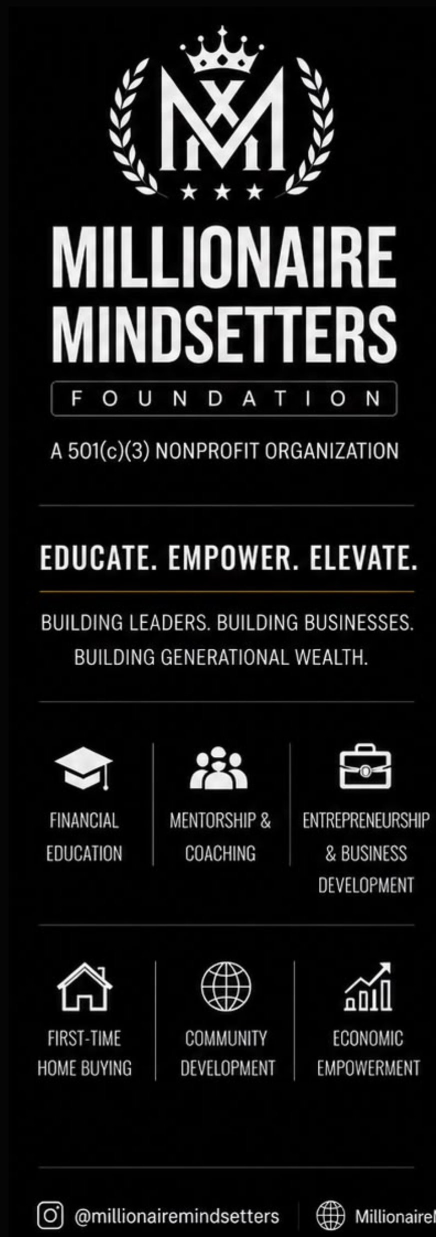


LESSON 6

BUSINESS CREDIT FUNDAMENTALS

Build a business profile lenders can verify, trust, and fund.

MILLIONAIRE MINDSETTERS FINANCIAL ACADEMY™
Educate. Empower. Elevate.

Business Credit Fundamentals

Lesson 6 Course Manual

Educational Disclaimer

This manual is for educational purposes only. It does not constitute legal, tax, accounting, credit, lending, or financial advice. Approval requirements, reporting practices, and lender policies can change. Verify current requirements directly with each provider and consult qualified professionals when needed.

Welcome to Lesson 6

Business credit is more than a score. It is the financial reputation your company builds through accurate records, consistent public information, responsible payment history, and credible operations.

The goal of this lesson is not to help you collect random vendor accounts. The goal is to help you build a business that can be verified and evaluated by banks, vendors, landlords, insurers, and funding providers.

What You Will Learn

- What business credit is and how it differs from personal credit.
- Why business credibility should be established before seeking funding.
- How to create a consistent public business identity.
- How business credit bureaus and lenders evaluate a company.
- How to choose accounts that may support a business credit profile.
- How to prepare for stronger funding opportunities without overapplying.

Table of Contents

1. Understanding Business Credit

Business credit is a record of how a company manages financial obligations. It may include vendor invoices, revolving accounts, loans, leases, and other commercial payment experiences reported under the business name and identifying information.

Personal Credit vs. Business Credit

PERSONAL CREDIT	BUSINESS CREDIT
Usually tied to your Social Security number.	Usually tied to the company name, EIN, address, and business records.
Measures your personal borrowing history.	Measures the company's commercial payment and credit history.
Common scores include FICO and VantageScore.	Common profiles may include D&B, Experian Business, and Equifax Business.
Often required for personal guarantees.	May support vendor, revolving, fleet, lease, and loan decisions.

Important

A business EIN does not automatically remove personal liability. Many lenders still require a personal guarantee, especially for newer businesses or businesses with limited revenue and credit history.

Why It Matters

- Creates separation between personal and business financial activity.
- Helps vendors and lenders evaluate the company itself.
- Can expand access to commercial products as the business matures.
- Supports better recordkeeping, financial management, and underwriting readiness.

2. The Business Credibility Foundation

Before applying for credit, make sure the company appears legitimate, active, and consistent. A lender should be able to verify your business without finding conflicting information.

Foundation Checklist

- ☐ Active LLC, corporation, or other appropriate entity
- ☐ EIN issued by the IRS
- ☐ Operating agreement, bylaws, or governing documents
- ☐ Business bank account
- ☐ Professional domain and website
- ☐ Domain-based business email
- ☐ Dedicated business phone number
- ☐ Valid business address
- ☐ Required licenses, permits, and insurance
- ☐ Consistent business information everywhere

The Core Rule

Your legal business name, address, phone number, website, and email should match across your formation records, bank account, licensing, online directories, vendor applications, and funding applications.

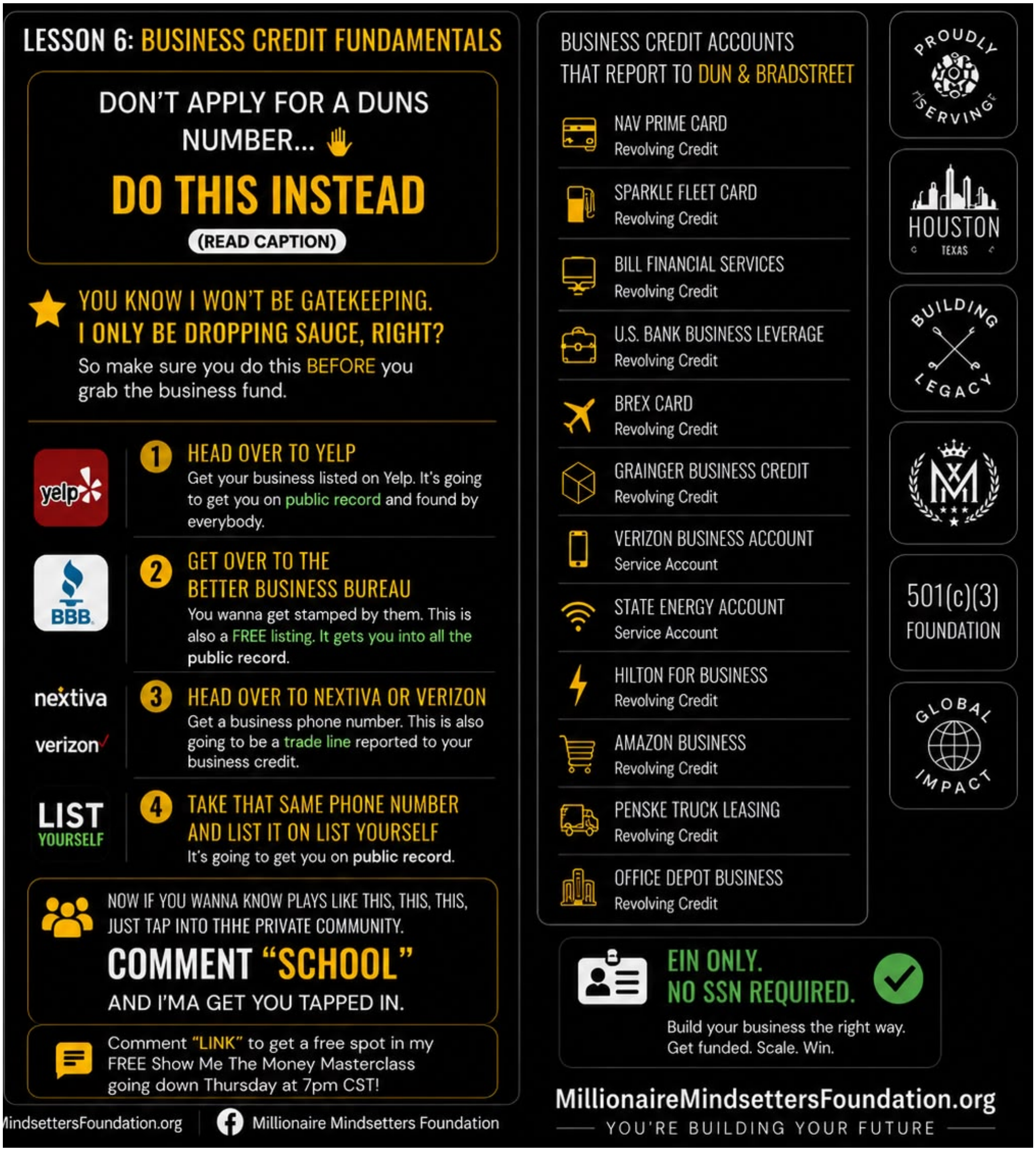
Why “Get a D-U-N-S Number First” Is Incomplete Advice

A D-U-N-S Number can be useful, but it should not be treated as a shortcut to funding. A business credit identifier does not replace a real business foundation, revenue, time in business, bank activity, or responsible payment history.

Build the business first. Then use business credit identifiers and reporting accounts as part of a complete funding-readiness strategy.

3. Create a Verifiable Public Presence

The original Lesson 6 visual below summarizes the public-presence strategy. Use it as a quick reference while completing the action steps in this chapter.



Vendor availability, approval standards, and reporting relationships can change. Always verify current terms before applying.

Public Presence Action Steps

1. Create or Claim a Yelp Business Listing

Add your correct business name, category, phone number, website, service area, operating hours, and a clear description. Keep the information consistent with your other records.

2. Create a Better Business Bureau Profile

A BBB profile can provide another public verification point. BBB accreditation is separate and may involve fees; a business profile alone should not be described as a guarantee of approval or trustworthiness.

3. Use a Dedicated Business Phone Number

Use a professional number from a reputable business phone provider. Answer using the company name and maintain a professional voicemail.

4. List the Business Consistently

Claim accurate listings on Google Business Profile, Bing Places, Apple Business Connect, LinkedIn, Facebook, industry directories, and relevant local directories.

5. Build a Professional Website and Email

Use a domain-based email such as support@yourcompany.com. Your website should clearly show the business name, services, contact details, privacy terms, and other information appropriate to your industry.

> **Verification Test**
>
> Search your company name online. Compare every result. Correct mismatched names, old addresses, disconnected phone numbers, and duplicate listings before applying for credit.

4. Business Credit Reporting

Business credit bureaus collect information from vendors, lenders, public records, financial institutions, and data providers. Not every company reports, and not every account reports to every bureau.

Major Business Credit Bureaus

Dun & Bradstreet

Maintains commercial business files and scores, including PAYDEX and other risk indicators.

Experian Business

Provides commercial credit reports and scores used by many lenders and suppliers.

Equifax Business

Maintains business credit and payment data used in commercial risk decisions.

What May Appear in a Business Credit File

- Business identity and registration details
- Industry classification
- Time in business
- Payment experiences
- Credit limits and balances when reported
- Public records and collections
- Inquiries or application activity
- Risk scores and payment indicators

Do Not Assume

A vendor saying it “helps build business credit” does not always mean it reports every month, reports to all bureaus, or reports all customers. Confirm the exact bureau, reporting schedule, eligibility requirements, and current terms.

5. Dun & Bradstreet and PAYDEX

Dun & Bradstreet assigns businesses a D-U-N-S Number and may maintain a commercial credit file. One commonly discussed score is PAYDEX, which is primarily associated with supplier payment experiences reported to D&B.

PAYDEX Overview

SCORE RANGE	GENERAL INTERPRETATION
80 and above	Generally associated with prompt or early payment behavior.
70-79	May indicate payments that are slower than the strongest profiles.
50-69	May reflect materially slower payment patterns.
Below 50	May indicate significant payment delays or limited positive history.

These descriptions are simplified for education and should not be treated as underwriting rules. Lenders may use different scores, internal models, revenue standards, bank-statement analysis, and personal guarantees.

Best Practices

- Pay all invoices by the due date; early payment may support stronger supplier payment history.
- Keep accurate records of invoices and payments.
- Monitor business reports for incorrect or outdated information.
- Avoid opening accounts solely to chase a score. Use products that serve a real business purpose.

6. Accounts and Vendors

The vendors shown in the lesson graphic are examples of business products that may offer commercial accounts. Their terms, approval requirements, fees, personal-guarantee policies, and reporting practices can change.

ACCOUNT / PROVIDER	WHAT TO VERIFY
Nav Prime	Current reporting terms, membership costs, and which bureaus receive data.
Grainger	Account availability, eligibility, payment terms, and current reporting.
Amazon Business	The exact card, line, or purchasing product and its issuer.
Verizon Business	Whether the account is a service account or a credit product.
BILL	Which specific payment or expense product may report.
Brex	Eligibility standards, business financial requirements, and repayment terms.
U.S. Bank Business	Personal guarantee, personal inquiry, fees, and underwriting requirements.
Penske	The exact commercial lease, rental, fleet, or credit arrangement.
Office Depot Business	Current issuer, account type, approval standards, and reporting.
Hilton for Business	Whether the program is a loyalty benefit or an actual credit account.

Application Rule

Do not apply for every account at once. Select only products that fit your operations, confirm the total cost, and understand whether a personal guarantee or personal credit inquiry is required.

7. The Funding Readiness Roadmap

1	**Form and maintain the business correctly**
2	**Open and actively use a business bank account**
3	**Build professional contact and public records**
4	**Maintain bookkeeping and accurate financial statements**
5	**Establish relevant vendor relationships**
6	**Monitor commercial credit reports**
7	**Build revenue and stable cash flow**
8	**Apply selectively for suitable products**
9	**Manage balances and payments responsibly**
10	**Prepare for larger credit lines, equipment, vehicles, or loans**

What Lenders May Review

- Personal and business credit
- Revenue and cash flow
- Average bank balances and overdrafts
- Time in business
- Debt obligations
- Industry risk
- Ownership and personal guarantees
- Tax returns and financial statements
- Supporting documentation
- Collateral for secured products

8. Common Business Credit Mistakes

X Applying Too Early

A newly formed entity with no revenue, no bank activity, and no operating history will usually have limited options.

X Inconsistent Information

Different addresses, phone numbers, entity names, and ownership details can delay verification or trigger declines.

X Buying Unnecessary Tradelines

Fees for products you do not need can weaken cash flow without creating meaningful funding value.

X Missing Payments

Late payments can damage both business relationships and reported payment history.

X Mixing Personal and Business Money

Poor separation creates bookkeeping, tax, legal, and underwriting problems.

X Ignoring Utilization and Cash Flow

High balances or unstable bank activity can reduce approval odds even when scores appear strong.

X Believing “EIN Only” Means No Accountability

Many products still require ownership verification, personal guarantees, or established business financials.

X Making False Claims

Never provide inaccurate revenue, time-in-business, ownership, addresses, or other information on an application.

9. Action Plan and Workbook

Complete this checklist before seeking new business credit or funding. Use the notes section to record what must be corrected.

DONE	READINESS ITEM	NOTES / CORRECTION
☐	Legal business name matches all records	
☐	Entity is active and in good standing	
☐	EIN records are correct	
☐	Business bank account is open and active	
☐	Business address is valid and consistent	
☐	Dedicated business phone is active	
☐	Professional website is live	
☐	Domain email is working	
☐	Google Business Profile is accurate	
☐	Yelp listing is accurate	
☐	BBB profile has been reviewed	
☐	Bookkeeping is current	
☐	Business credit reports have been checked	
☐	Existing invoices are paid on time	
☐	Applications are being made selectively	

30-Day Business Credit Foundation Plan

Week 1
Verify the entity, EIN, bank account, address, licenses, phone, website, and email.

Week 2
Correct public listings and create missing profiles. Confirm consistent business name, address, and phone information.

Week 3
Review business credit files and select one or two useful vendor or service accounts.

Week 4
Set payment reminders, update bookkeeping, review cash flow, and prepare a selective funding plan.

My Three Priority Actions

1.

2.

3.

Questions to Ask Before Applying

- ☐ Does this product fit a real business need?
- ☐ What are the fees and interest costs?
- ☐ Is a personal guarantee required?
- ☐ Will there be a personal credit inquiry?
- ☐ Which bureau receives reports?
- ☐ How often is activity reported?
- ☐ What revenue or time-in-business rules apply?
- ☐ What bank-balance requirements apply?

10. Continue Your Learning

Congratulations on completing **Lesson 6: Business Credit Fundamentals**. Knowledge creates value only when it is followed by organized action.

Visit the Millionaire Mindsetters Resource Center

Continue your education through our Financial Literacy Academy resource library. Explore lessons on personal credit, credit repair, business credit, funding, mindset, and personal finance - all presented in clear, practical language.

RESOURCE CENTER

https://www.millionairemindsettersfoundation.org/resources

How to Use the Resource Center

- Open the Resources page.
- Choose the Business Credit category.
- Complete the Business Credit 101 lesson and related modules.
- Save helpful guides, templates, and checklists.
- Return regularly as new resources are added.

Millionaire Mindsetters Principle

Build the foundation. Protect the reputation. Use credit strategically. Create opportunities that strengthen the business for the long term.

MILLIONAIRE MINDSETTERS FOUNDATION

Educate. Empower. Elevate.

www.MillionaireMindsettersFoundation.org

Resources: www.MillionaireMindsettersFoundation.org/resources