

How I went from **\$0** business credit to over **\$300,000**

ONE WOMAN'S PERSONAL STORY

*A step by step guide
to getting the money you
need for your business*



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Contents

Disclaimer.....	5
Introduction.....	7
Starting from scratch.....	9
A CREDIT FORUM.....	13
CHOOSING A CORPORATION OR AN LLC -.....	14
A BUSINESS PLAN.....	16
Moving Forward.....	17
HOME SWEET HOME.....	17
A CONVERSATION WITH DUN & BRADSTREET.....	19
BELOW IS A LIST OF NET 30 ACCOUNTS OR TRADE ACCOUNTS (NO PG ACCOUNTS).....	24
Stepping over stumbling blocks.....	27
AN EAGER BEAVER.....	28
CAN YOU REALLY GET UP TO 250K OR MORE IN BUSINESS CREDIT WITH BAD PERSONAL CREDIT?.....	29
AUTHORIZED USER ACCOUNTS.....	31
BUMPAGE.....	34
A SECURITY FREEZE.....	38
Unstoppable.....	40
TO PG OR NOT TO PG.....	40
A LIST OF BUSINESS CREDIT CARDS.....	43
Do you hear what I hear.....	50
4506 T FORM.....	51
PRE-APPROVALS.....	53
DEBT TO INCOME RATIO.....	55
CREDIT UTILIZATION.....	57
A WORD ABOUT BAD CREDIT.....	58

<u>HOW TO ADD POSITIVE TRADE LINES ON A BAD CREDIT REPORT.....</u>	<u>60</u>
<u>Closing thoughts.....</u>	<u>62</u>
<u>RESOURCES</u>	<u>69</u>

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Introduction

It is estimated that approximately 250,000 people start businesses every year in the United States. Financing is often thought of as the real stumbling block for many entrepreneurs.

So the million dollar question becomes: How will I get the money to start my business?

Awareness is the key to start you off on your journey toward a solution. Knowing the questions you will be asked, understanding the obstacles that will be thrown down like gauntlets, challenging your every move, and being armed with information will provide you with the ammunition to succeed. I will “walk” you through the process I’ve learned from others and a few courses I charted myself.

I’ve read many interesting stories about people bootstrapping their business by using their personal credit cards. I’m sure you have heard or know someone who has done the same thing as well.

Using only your personal credit to finance a business can be risky business. If you max out your credit cards and some unforeseen event take place which requires obtaining additional finances, you will be rejected everywhere you go. You’re considered high risk and banks don’t lend to high risk Entrepreneurs, period. In addition, you don’t want to have to ask Vito, Luigi’s cousin, for a loan!

Short of having an armed associate accompanying me, the protective shield of a corporation was necessary. Without the benefits of a corporation, business owners are literally saying to their creditors, “If my business cannot pay its bills, please come after my home, bank accounts, car, jewelry, furniture, and all other personal assets to satisfy the debt.”

The legal services for arranging my corporation was relatively inexpensive. The tax ID and corporation registration cost less than \$300.00. Indeed, it was also preferable to hiring someone named “Luigi”.



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I had never heard of business credit and once I did I began to take baby steps toward building a powerful business credit score. While working on my business idea I also worked full time consulting. It was challenging, the road filled with potholes and blind alleys, so fortunately I made the decision to keep a salary coming in as I pursued my business dream.

Don't quit your day job just yet! After all, building business credit requires you to spend money, and depending upon your business model, perhaps lots of it. You will need to make purchases that your business needs and the vendors will report your payment history to the business bureaus, thereby establishing your business credit history.

It is important to start strong, pay invoices on time, and develop good relationships right from the get go.

Finally, if you have someone named "Luigi" in your entourage, I would strongly suggest a corporation for protection.

Starting from scratch

I remember it as clearly as today. It was a cold winter evening in January 2005 when the idea hit me like a ray of light penetrating the dark skies.

I was at a friend's house for a very brief visit; the idea had come from her. By the time I walked about seven blocks back to my home, I knew I was going to start a business working from home. My step picked up as I affirmed to no one in particular or perhaps to everyone: "I am going to start my own business!" I also realized that I would be working from my own home and therefore needed to arrange my life accordingly.

My thoughts when I awoke the next morning were well ahead of me. I had visions of customers lined up on the internet anxious to purchase my product. I pictured me carting tons of money to the bank or overloading my PayPal account. All of this was fun; even a dyed in the wool New Yorker can see a rainbow once in a while. Thus I made it through the day by putting my big dreams aside as I answered the telephone in my soon-to- be-history day job.

Of course, my dreams were at this point very private. Anyone seeing the enormous smile on my face probably thought I was thinking about an exciting evening out on the town. New Yorkers like that type of entertainment, followed by a show. We attend the first nighters and still go out in spite of the variety of programs on television.

My experience with raising finances for my business has completely reshaped my outlook on life. It was a journey through unknown waters with many rocks, rapids and periods of drought. Sometimes the current carried me along and at other times I had to paddle like hell just to stay afloat. The good news is that I didn't drown! I would like through this book to offer you a life jacket in the form of my experiences. Truly, each of us has our stopping point. You know, that "last straw" moment when you want to just "throw in the towel." I have experienced those moments and I have pushed hard and traveled through them.

Please read on and gather strength from my encounters with red tape, unanswered questions, and dead ends.

Along the way you may stop and ask yourself; “Is it worth it?” Or, Do I really need business credit? If you do not have a definite affirmative answer to that question, this is the time to put our book down. True entrepreneurs have a need to be independent and will overcome any obstacle to achieve their success. History is filled with stories of the ones who failed and began again. Rarely do you read about the ones who gave up. I didn't; will you?

Because you will be tested and your will must be forged in iron! Owning your own business is not for the weak, indecisive, or faint of heart. It is the hardest work you will ever do, but also the most rewarding and satisfying. And if you think it is risky and insecure owning your own business, then I invite you to observe the unemployment lines filled with those who thought they had secure life-long corporate jobs.

I have worked at numerous jobs over the years, from secretarial and customer service to collections. Little did I realize that these positions and my present one at the time (telephone sales rep) were simply providing me with the experience I needed to become Executive Director of my company. They were a part of a business plan I had not even conceived yet. Talk about being prepared, I had spent years in training, sort of on bivouac, for this major achievement.

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