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LocalNet360- Today many small businesses are feeling the credit squeeze by banks and are facing difficult times financially. However, depending on your situation there are things that you can do. While no two small business credit situations will be the same, there are steps that you can take today to improve your credit rating and thereby increase your lines of credit and frankly, now is the time to get started. This article will discuss the benefits and some of the best methods of developing credit lines to help promote and/or grow your business.

Business Credit Good Or Bad?

Credit is like anything else in your life. Properly used it can be a real asset your business. However, improper use of credit lines can almost guarantee that youâ€™ll get into trouble and eventually even cost you your business and your personal credit too.

The first thing that you should do to establish and/or improve your business credit rating is to apply for a DUNS Number. You can Google the term DUNS Number and be directed to a site where you can get this number for your business. Once on the site, you will also learn ways to develop and/or improve your business credit rating.

Your businessâ€™ DUNS rating will impact how much credit you can get for your business and frankly, you should always try and develop your business credit separate from your personal credit. To accomplish this, you need the DUNS number and you also need to start building lines of credit for your business without making personal guarantees. The best way to do this is to start out small by borrowing a small amount of money from a local bank or credit union against a small cash deposit that you make into a business checking account. I suggest making 3-4 monthly payments on time and then pay the account off in full. Youâ€™ll be surprised how quickly your small business will start to get offers for everything from credit cards to signature lines of credit and/or equipment financing.

Separately, if you have any local vendors that you do business with, try getting them to extend you a small line of credit and then ask them to report your payment history to the credit bureaus in the name of your business (not your personal name). I would do the same thing here as with the bank loan. Just get a small line of credit, make payments for 2-3 months and then pay the outstanding amount off. You will be surprised how quickly your business credit rating will improve and the offers you will receive should exceed your needs.

On the other end, there is the use of credit cards and/or receiving credit cards from customers.

All I will say for the moment about accepting credit cards is that it is a necessary business tool for most small businesses today. In regards to using credit cards for your business, I suggest that you keep your business and personal lines of credit separate, if at all possible. Use business credit cards for business purposes and use credit cards for personal use on your personal credit cards. I know that many of you will say that this is hard to do, but the sooner you build your business credit, the less you will have a need for your personal credit cards to finance your business expenses.

Of course, this is but an example of how business credit lines can be developed and/or used for your growing small businesses. Furthermore, you will learn over time that the better you develop and manage your business lines of credit separately from your personal credit, the more your company will be worth and the more successful you are likely to be.

As you begin to develop and/or expand your presence on the Internet for your business consider this: Developing and/or improving your business lines of credit is one of the many important solutions to help jumpstart your online or offline business. However, you will need to develop more comprehensive strategies, since no one way will work for all businesses as you begin to build a customer base that you can then market to online on a regular basis. As stated earlier in this series, in order to rise above the crowd you will need more than just a website. Therefore, developing business credit lines in addition to implementing several Internet based solutions over the next 12-24 months will be critical to the long term success for virtually every small and local business in America.

Internet Marketing by LocalNet360

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