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# BUSINESS STARTER GUIDE

THE BEST ACTIONABLE GUIDE TO  
GETTING YOUR BUSINESS STARTED ON  
THE RIGHT TRACK!



PREPARED FOR  
JumpStart REI  
Community

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# Find a problem, solve it better!

- To be successful in business you must identify a problem and provide a solution.
- Usually finding the problem is not the issue but solving it better than everyone else is!
- If you want a jumpstart in your industry, follow these few steps
  - a. Go to meetups and conferences and find people who do what you want to do.
  - b. Get a mentor, provide your mentor value for knowledge. This can be monetary or free labor.



# Business Setup Overview

1. Virtual office or Physical office
2. Form your business entity with the state
3. Apply for an EIN (Employer Identification Number) from the IRS website
4. Open a business bank account
5. Build Business Credibility
  - a. Business Email.  
@”mybusinessname”.com  
not a Gmail account
  - b. Business Phone Number-  
register your number with  
a directory  
(listyourself.net) use ring  
central
  - c. Create a website
6. Establish Business Credit

# Physical/Virtual Office

- Get a Virtual Office or a business office and register your business to that address, do not use your home address.
- A virtual address is a location that you can use as your business address to the public but you may or may not have an office at that location. This virtual address may take receive mail on your behalf, and you can pick up mail from this place or they can forward it to you.
- This will provide you with a layer of protection so clients/customers will not see where your personal address when researching your company
- Business addresses show a level of professionalism and organization.
  - Options for Virtual address
  - Regus.com
  - Ipostal1

# Form your Business entity with the state

- Select a state to form your entity in
- You can form a sole proprietorship, Limited liability corporation, S Corp, or C Corp, or a Partnership
- States typically require annual dues to keep your business in good standing
- Be mindful of what you choose as your industry when registering your business because this will determine your Standard Industrial Classification (SIC) and National American Industrial Classification System (NAICS) which a borrower will use to determine the risk factor of your business.

# EIN

- An EIN is an employer identification number, this is a number given by the federal government to identify a business.
- You can think of this number as an SSN for businesses.
- This number will be used on your tax filings and when applying for new lines of credit and funding through your business.

# Open a Business Checking Account

- A business bank account will help you to separate personal and business expenses .
- Business bank accounts allow you to manage your finances efficiently.
- Bookkeeping is far less complicated when you have a separate business bank account, some banks even offer bookkeeping services.

# Build Business Credibility

- To build business credibility you need these few things set up.
  - a. Business Email.
  - b. Business Phone Number
  - c. At least a One-page Website

\*Use the same business credentials across the board\*



# Business Credibility: Business Email

- Using a business email address shows professionalism and makes clients, customers, and partners take you more seriously as a business owner.
- Professional emails are typically in the format “name/department”@companydomainname.com
- Professional business emails can be set up at [Jumpstartrei.com/product/website-development/](http://Jumpstartrei.com/product/website-development/)

# Business Credibility: Business Phone Number

- Having a business phone number shows a level of professionalism.
- You can use software's like Ring Central or Dialpad to get VOIP
- VOIP allow you to use take calls while you have internet access, and this is usually cheaper than traditional providers.
- Register your number the 411 directory by calling the customer service rep with your phone service or visit [listyourself.net](http://listyourself.net)

# Business Credibility: Website

- A business website shows credibility
- Lenders, partners, clients, and customers look at websites first when trying to do research on your business.
- Websites allow you to attract clients, run ads, set up google pixels (tracks visitors), get questions asked, show your work, show what clients/customers say about you.
- <https://jumpstartrei.com/product/website-development/>

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GET A BUSINESS WEBSITE!

# Establishing Business Credit

1. Credit Score determinants
2. Create an account on Dun and Bradstreet
3. Create a Nav Account
4. Apply for tradelines with vendors
5. Apply for store credit
6. Apply for primary business cards



# Credit Score Determinants

- Number of trade experiences  
(Increase score)
- Outstanding balances
- Payment habits / Trends over time
- Credit utilization,
- Public record recency, frequency and dollar amount
- Demographics

# Credit score Determinants: Number of Trade Experiences

- The more tradelines you have and lines of credit the better it is for you.
- The more creditors can provide good payment history for you

# Credit score Determinants: Outstanding Balances

- Outstanding balances are bad for your business credit score
- Make sure you are paying at least the minimum payment.
- For net 30, 60, or 90 tradelines you must pay the entire balance off within 30, 60 or 90 days respectively.

# Credit score determinants: Payment Habits

- Payment habits are extremely important, having good payment history on your credit is extremely important.
- This is one of the most heavily weighed factor when determining your business credit score.
- Try to set up autopay when available and set reminders on your calendar when autopay is not an option



# Credit score Determinants: Credit Utilization

- Most credit experts advise to keep your credit utilization under 30% so having a higher credit availability allows for you to spend more while still being below that 30%.
- Keeping low balance is a good idea to avoid spending more than you can afford to pay back.
- Paying balances in full after each month is also good practice.

# Credit score Determinants: Demographics

- Your company demographics play a role in your credit score
- Years in business is a major factor that creditors look at when choosing to extend credit.
- Company size is also major factor, the more employees you have the better your business is thought to be.
- Standard Industrial Classification (SIC) codes show what type of industry you are in and can give an idea of how risky your business is.

# Create an Account on Dun & Bradstreet

- Dun and Bradstreet is a corporation that provides commercial data, analytics, and insight for businesses.

# Create a Nav Account

- Nav is a credit monitoring platform that allows you to view your credit score from different reporting agencies like Experian Business, Equifax, Dun & Bradstreet, and FICO in one place.
- Nav gives information on how to build your business credit and offers many business financing options.

# Apply for tradelines with vendors

- Net 30, 60, & 90 are easier for new businesses to get approved for. Try getting these before applying for major credit card to establish your business credit.
- Apply for tradelines with vendors (3-5). Net 30 or Net 90 repayment terms on supplies purchased. A net-30 account is one that extends you 30 days to pay the invoice in full after you have purchased products from that vendor. It's vendor credit that allows you to buy now and pay later.
- \* Remember to make these purchases on net 30, 60, or 90 terms don't just simply purchase something from these websites\*

# Apply for Tradelines with Vendors

- Uline- Reports to D&B and Experian. Choose net-30 billing as payment option
- Quill- Reports to D&B. Select “invoice my account” upon checkout. Min \$100 purchase to have the invoice option.
- Wise Business Plans- Reports to Experian
- Summa Office Supplies- Initially only report to Equifax, after 6 months they report to both Equifax & Experian
- Crown Business solutions- Reports to all 3 commercial credit reporting agencies
- Shirtsy- A printing company. Reports to all 3 bureaus. Must be in the US, must be 90-day old business, No delinquencies, must have EIN
- Strategic Network Solutions- Min \$75 payment needed
- Grainger- Hardware and Office Supplies. Create Account, call customer service rep and ask to sign up for NET30 Account reports to Dun and Bradstreet

# Apply for Store Credit

- Shell fleet business- They give easy approval; you can use this card at the pump or inside the stores
- . \*Fill out the application, once you get to the end DO NOT SUBMIT. Close it out and go wait 1-2 business days for a sales rep to contact you and inquire about your application. They will send you a link to apply that is easier approval\*
- Axle Fuel Card (WEX)- Simply Apply for the card.
- Wells Fargo Business Card- Must make \$500-\$2,500 Deposit. 1.5% Cash back.
- AMEX Amazon Business cards.
- Been in Business for 3 years.
- Need 5 tradelines reporting to Dun & Bradstreet and Experian.
- Sam's Club- Check the Experian when choosing to approve someone. Reports to Dun and Bradstreet and Equifax commercial. The only thing that they care about is that they can verify your business.
- Home Depot commercial account

# Apply for Primary Business Cards

- Amex Blue Business cash
- Amex Platinum
- Ink Business Preferred
- Capital One Spark Cash Select
- Divvy Smart Credit Card for business
- Bank of America Business Platinum
- US Bank Business Cash World Elite Mastercard



# Reporting

- There are a few major business credit reporting agencies.
- SBFE authorizes a few 3rd parties to provide commercial credit information
  - Lexis Nexis
  - Dun and Bradstreet
- Each business card has its own policy on who it reports your credit activity to, keep track of which card is reporting to each agency to increase your score for each.
- Credit Issuers may not look at the reporting agency that you are building credit under so get a mix of cards that report to at least one of each.

## How Small Business Credit Cards Report to Business Credit

Issuer	Equifax	Experian	SBFE
American Express			<input checked="" type="checkbox"/>
Bank of America			<input checked="" type="checkbox"/>
Capital On Tap		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Capital One		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chase	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Citi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discover	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
PNC		<input checked="" type="checkbox"/>	
Wells Fargo		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Source: [Nav.com/business-reports](https://nav.com/business-reports)  
 Always confirm reporting directly with issuer

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# Important Contacts

## HOW TO FREEZE YOUR CREDIT

- Contact each of the three major credit bureaus — Equifax, Experian and TransUnion — individually to freeze your credit:
- **Equifax:** Call 800-349-9960 or go online.
- **Experian:** Call 888-397-3742 or go online.
- **TransUnion:** Call 888-909-8872 or go online.

# About JumpStart REI

Jumpstart REI is a real estate education platform for all levels of investors. Our goal is to simplify real estate investing and encourage entrepreneurs to build lasting businesses.

