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Business Credit Score: From Zero to Paydex 80

A step-by-step guide to building your company’s credit history

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CHAPTER 1

Why Business Credit Matters More Than Personal Credit

Most entrepreneurs think about business credit only when they need money. That is a fundamental mistake. A company's credit history is its financial reputation, and it works around the clock. Suppliers check it before extending payment terms, insurers before pricing a policy, prospective partners before signing a contract, and buyers of the business when they set a valuation.

Unlike a personal credit score, business credit is completely separate from your personal history. That has two important consequences. First, a startup does not inherit your personal credit problems; it starts with a clean slate. Second, strong business credit protects your personal credit history: you can finance the business without a personal guarantee.

The three main business credit bureaus in the US are Dun & Bradstreet (Paydex Score 0–100), Experian Business (Intelliscore 0–100), and Equifax Business. Each collects data independently, and each has its own methodology. D&B is the oldest and most influential: 90% of banks use its database when evaluating commercial loans.

Paydex Score, D&B's flagship metric, reflects just one thing: how promptly a business pays its suppliers. A score of 80 means payment exactly on time. A score above 80 means payment ahead of schedule. A score below 80 means late payment. For most purposes 75–80 is enough. For large government contracts, 80+ is preferable.

Why build credit if you have no immediate need? First, credit builds slowly, 12–18 months at minimum. If you wait until you need the money, it will be too late. Second, a good credit rating lowers the cost of equipment rentals, leasing, and factoring by 20–40%. Third, when a business is sold, appraisers take financial stability

into account, and credit history directly affects the multiple.

A practical example: a company with a Paydex of 80+ gets net-60 terms from Office Depot Business, Quill, HD Supply, and dozens of other suppliers. That means interest-free financing of purchases for 60 days. For a business with monthly expenses of $20,000, that is $40,000 of free working capital.

The first step for any business is to get a DUNS Number from Dun & Bradstreet. It is free and takes 24–48 hours online. A DUNS is the unique 9-digit identifier of your company in the D&B database. Without it, your company simply does not exist in the business credit system. Once you have a DUNS, you need to actively “feed” the database: open trade accounts, pay exactly on time, and make sure your suppliers report to D&B.

The main misconception is “I have no credit because I never borrowed.” Having no credit is also a bad signal. Banks see a company with no credit history as an unpredictable risk. Start building your history right after you register the business, even if you do not need money right now.

CHAPTER 2

DUNS Number: Why You Need It and How to Get One

A DUNS Number (Data Universal Numbering System) is a 9-digit identifier that Dun & Bradstreet assigns to every registered company in the world. The system was created in 1963 and today covers more than 500 million businesses in 200+ countries. In the context of credit, the DUNS is your business passport: without it, a credit history physically cannot exist.

Where a DUNS Number is required: US government contracts (mandatory for SAM.gov), Apple Developer programs for companies, grant applications through Grants.gov, vendor accreditation with large corporate buyers (Amazon Business, Walmart Marketplace), opening trade accounts with wholesale suppliers, and international tenders.

How to get a DUNS for free: go to dnb.com and find the “Get a D-U-N-S Number” section. For US and Canadian companies, the process takes 1–2 business days online. You will need the legal name of the company exactly as it appears in the registration documents, a physical address (not a PO Box), a phone number, the name of the owner or CEO, the year founded, the type of business, the number of employees, and approximate revenue.

Critically important: the company name in the DUNS application must match the name in the government registry and in all bank documents. The slightest discrepancy, such as “Inc” vs. “Incorporated” or a missing comma, creates two different profiles in the D&B database, and credit reports from your suppliers may land in the wrong profile.

Once you have a DUNS, you can monitor your profile through CreditSignal, a free D&B tool that shows the number of reports in your file and a basic Paydex. A full report requires a paid subscription ($149–$599/month), but for most small businesses

CreditSignal is enough at the start.

For non-Russian companies: D&B has offices in most countries of the world. In Canada, you get a DUNS through the Canadian D&B portal; in the United Kingdom, through the UK division. The procedure is similar to the American one. Ukrainian companies can also get a DUNS, which is useful when working with Western partners.

An important point about verification: D&B periodically tries to verify company data by phone. If you miss the call or give inaccurate data, the profile may be marked “unverified,” which lowers trust in your credit history. I recommend registering a business phone number and answering D&B’s calls.

You do not need paid speed-ups: D&B actively sells “expedited” DUNS processing for $229–$349. For most businesses the free option works fine, and a wait of 24–48 hours is not critical. Paying makes sense only if you need a DUNS for an urgent government contract.

After you get a DUNS, your profile exists but is empty. The next step is to start “feeding” it with trade credit so that D&B can calculate a real Paydex Score. Without at least three trade reports, a Paydex does not exist.

CHAPTER 3

How Paydex Score Works

Paydex Score is a numerical indicator from 0 to 100 that Dun & Bradstreet calculates from a company's payment history with suppliers and creditors. The formula is simple: a score of 80 = payment exactly on time, each point above 80 = payment that many days early, each point below 80 = payment that many days late.

The Paydex math: 100 = payment 30+ days before the due date; 90 = payment 20 days early; 80 = payment on time; 70 = 15 days late; 60 = 22 days late; 50 = 30 days late; 40 = 60 days late; 20 = 90+ days late.

What affects Paydex: every trade account whose supplier reports to D&B contributes. The more accounts you have, the more accurate and stable the score. D&B gives more weight to larger amounts, so a $10,000 invoice counts for more than a $100 invoice. That is why the strategy of "opening many small accounts" works, but slowly. It is better to combine approaches: several small accounts for a quick start plus several large ones for the final push.

The minimum for getting a Paydex: three trade reports from three different suppliers within the last 12 months. Without this minimum, the score is simply not calculated. That is exactly why the first 90 days of credit building are critical: you need to open your first three accounts as quickly as possible.

A list of suppliers that definitely report to D&B: Quill.com (stationery, office supplies), Uline (packaging, warehouse equipment), Grainger (industrial equipment), Summa Office Supplies, Crown Office Supplies, HD Supply, Staples Business Advantage. All of these suppliers offer net-30 accounts to new businesses with minimal requirements.

Mistake 1: paying invoices on the day you receive the statement and thinking that counts as “ahead of schedule.” What matters for Paydex is the payment date relative to the invoice date and the terms (net-30). Paying on day 25 of 30 gives a score of 80, paying on day 15 gives 85, and paying on day 5 gives 90+.

Mistake 2: waiting for Paydex to rise on its own. It rises only from new supplier reports. If you have three accounts and every payment is on time, the score will be about 80. To go higher, you need either earlier payments or more accounts paid early.

How to reach Paydex 80 quickly: Months 1–2: get a DUNS, open accounts with Quill, Uline, and one more supplier from the list. Buy something you actually need for $50–$200. Pay on day 10 of 30. Month 3: D&B receives the first reports and a Paydex appears. Months 4–6: add 2–3 more suppliers and keep paying early. Paydex 75–80.

Important: Paydex is only one of D&B’s indicators. Others include the Delinquency Predictor Score (the probability of a 90+ day delinquency), the Financial Stress Score (the probability of bankruptcy), and the Supplier Evaluation Risk score (a measure of reliability as a supplier). They are all built on different data and matter in different contexts.

CHAPTER 4

Experian Business and Equifax Business

Dun & Bradstreet is not the only business credit bureau. Experian Business (Intelliscore Plus) and the Equifax Business Small Business Credit Risk Score are the two other major players. Many lenders, especially in commercial real estate and equipment finance, check Experian rather than D&B. For full credit protection, you need to build history with all three.

Experian Intelliscore Plus: a scale of 1–100, where 76–100 = low risk. It is calculated from payment history, available credit, the age of the business, the number of inquiries on the credit file, and public records (court judgments, liens, bankruptcies). Unlike Paydex, Intelliscore takes the owner's personal credit into account when the company has little history of its own. That means personal credit matters for the first 1–2 years and less and less afterward.

How to get into the Experian Business database: Experian collects data automatically from many sources, including bank accounts, leasing, and some credit cards. For reliability, though, it is recommended to register the business with their free Business Credit Advantage ($14.95/month for monitoring). This confirms that the company exists and speeds up the formation of the file.

Equifax Business uses several different scores. Payment Index is the analog of Paydex (0–100, payment history). Business Failure Score (1000–1880, higher is better; the probability of bankruptcy). Business Credit Risk Score (101–992, payment reliability). Equifax gets its data mainly from financial institutions: banks, credit unions, and leasing companies.

What to do to build all three scores at the same time: Open a business bank account at a bank that reports to all the bureaus (Wells Fargo, Bank of America, Chase). Get a business credit card from an issuer that reports to Experian and Equifax (Capital One Spark, American Express Business). Use net-30 suppliers (for

D&B). Take a small business loan or a line of credit from a credit union (for Equifax).

Public records destroy credit: tax liens immediately wipe out a credit score. Court judgments against the company are visible to all the bureaus. Even a single tax lien, even a small one, can drop an Intelliscore from 80 to 30. So pay your taxes on time, and if you have a dispute with the tax authority, resolve it through an installment agreement rather than ignoring it.

Nav.com and CreditSafe are aggregators: these platforms collect data from all three bureaus and show a combined credit profile. Nav shows basic data for free and gives full reports for $49.99/month. CreditSafe is oriented toward B2B: corporations use it to check their suppliers. Getting into the CreditSafe database is useful for B2B sales.

The timeline for all three bureaus: D&B: a Paydex 3–6 months after your first trade accounts. Experian: an Intelliscore 6–12 months after you open credit accounts. Equifax: 6–24 months, especially slow without bank financing. A complete credit picture at all three bureaus is a 12–18 month project with active building.

CHAPTER 5

First Steps: Bank Account, EIN, Registration

Before you build a credit history, you need the right foundation. Banks and bureaus distinguish a “real” business from a fake one by several markers. If the foundation is weak, credit applications will be rejected, and suppliers will not open accounts for the legal entity.

An EIN (Employer Identification Number) is a business tax number in the US, the equivalent of a personal SSN. Without an EIN you cannot open a business bank account, get most trade credit, or work with suppliers as a legal entity. You can get an EIN for free on IRS.gov in 5 minutes using the online Form SS-4. You need the EIN right when you register an LLC or Corporation.

Business structure matters: a sole proprietorship is poorly suited to building business credit because it is inseparable from your personal credit. An LLC or Corporation creates a separate legal entity. For credit purposes this is critical: only a separate legal entity can have an independent credit history.

Business address: a PO Box does not work for credit applications. You need a physical address: an office, commercial premises, or at the very least a virtual office with a real address and phone number. Many suppliers check whether the company exists at the stated address through Google Maps and government registries.

Business phone: a dedicated number for the company (not a personal mobile). Use Google Voice Business or a virtual phone number. This number should be listed in 411 (the business directory). To check, dial 411 and ask for your business; it should come up. If it does not, ask your phone company to add it to 411.

Business bank account: open it at a bank that reports to the business credit bureaus. The best options for new LLCs: Chase

Business Complete Banking, Bank of America Business Advantage, Wells Fargo Business Choice. Keep a steady minimum balance, ideally 3–6 months of average expenses. An empty or constantly overloaded account is a red flag.

Business license: depending on the state and line of business, you may need a local business license. It does not directly affect credit, but some suppliers ask for it as proof that the business is legitimate.

Consistent data is critical: the company name, address, and phone number must be identical everywhere: in the government registry, on the IRS site, at the bank, in the DUNS application, and in applications to suppliers. The slightest discrepancy (“Street” vs. “St,” “LLC” vs. “L.L.C.”) is treated by the systems as different companies. Create a document with the official data and use only that.

Company website: many suppliers check that you have a website. A minimal site with contact details, a description of what you do, and an “About us” page is enough. A free domain on Wix or Squarespace does not work; you need your own domain (.com). Your email should be on a company domain (you@yourcompany.com), not on gmail.com.

CHAPTER 6

Net-30 Trade Credit: Your First Accounts

Trade credit (also called vendor credit) is when a supplier gives you goods or services now and you pay later. “Net-30” means payment within 30 days with no interest. It is the most accessible and fastest way to start building a Paydex Score, because many suppliers approve net-30 even for new companies with no credit history.

The key principle: not all suppliers report to D&B. If a supplier does not report, its trade credit does not help build your Paydex. Before opening an account, always ask: “Do you report payment history to D&B, Experian Business, or Equifax Business?” Or, more directly: “Do you report to Dun & Bradstreet?”

Starter suppliers, Tier 1 (they approve new companies with no history):

Quill.com (Staples): stationery, printers, cartridges. Starting credit limit: $100–$500. Reports to D&B. How to open an account: register as a business on quill.com and choose “Net 30” when you place your first order. First purchase: $50–$100 of consumables you will actually use.

Uline: packaging, labels, warehouse equipment. One of the best starter suppliers, and it approves almost everyone. Reports to D&B and Experian. Starting limit: $150–$500. You can order by phone or online.

Grainger: industrial equipment, tools, protective gear. Reports to D&B. Open an account online, then call and request a Net 30 account.

Summa Office Supplies: specializes in starter business credit. It knows you are a beginner and approves easily. Small purchases, Net 30, reports to D&B.

Crown Office Supplies: similar, created specifically for business credit builders.

The strategy for the first 90 days: Month 1: open accounts with Quill and Uline. Buy something useful ($50–$150 each). Pay on day 10. Month 2: open an account with Grainger or Summa. Make a similar purchase and pay early. Month 3: D&B starts receiving the first reports from suppliers. A Paydex appears 3–4 months after the first transactions.

What NOT to do: do not use the maximum credit limit right away, because it looks like financial stress. Do not pay a single invoice late in the first 12 months; one late payment can lower your Paydex by 20–30 points. Do not open 10 accounts at once, because it looks like desperation. The best pace is 1–2 new suppliers a month.

Tier 2 suppliers (they require 3+ months of history): Office Depot Business, Amazon Business Net 30, Home Depot Commercial Account, Costco Business, Sam’s Club Business. These suppliers give higher limits ($1,000–$5,000) and broader coverage, but they require an initial credit history.

Monitoring: after each payment cycle, check D&B CreditSignal to see whether new supplier reports have appeared. If a supplier has not reported after 45 days, call them and confirm that they really do report.

CHAPTER 7

Business Credit Cards Without a Personal Guarantee

Most small-business credit cards require a personal guarantee from the owner. If the business does not pay, you pay out of your own funds, and it shows up on your personal credit. The ultimate goal of a business credit builder is to get cards without a personal guarantee (non-PG cards) that run entirely on the company's credit.

The reality: non-PG cards are available only to companies with a strong credit history, usually 2+ years and a Paydex of 70+. To start, you will have to use cards with a personal guarantee, but choose the ones that report to the business bureaus rather than the personal ones.

The best starter cards that report to the business bureaus: Capital One Spark (reports to D&B and Experian Business). American Express Business Gold and Platinum (report to Dun & Bradstreet and Experian). Chase Ink Business (reports to Experian Business). Bank of America Business Advantage (reports to D&B).

Cards NOT recommended for credit builders: most co-branded cards (Costco Visa Business, Delta SkyMiles Business), because they report only to the personal bureaus. Bank of America Business Cash Rewards in some states; check first.

Corporate cards without a PG (the target for mature companies): Brex is a corporate card for startups and requires $50,000+ in the operating account. No personal guarantee, and it reports to Dun & Bradstreet. Ramp is similar to Brex and approves SaaS companies and startups with 6+ months of runway. Divvy (Bill.com) is for companies with revenue of $1M+. American Express Corporate is for companies with several employees and steady revenue.

A strategy for using a card for maximum effect on your credit: Use the card for ordinary business expenses (office supplies,

advertising, subscriptions). Do not exceed 30% of the limit, because high utilization lowers your score. Pay in full every month or early, which raises your score and avoids interest. Make large one-time purchases at the start of the cycle and pay before the end of the cycle.

Amazon Business Prime American Express: a special product that reports to both personal and business credit. It gives net-60 terms on certain categories of goods from Amazon Business. It is useful as a bridge between trade credit and classic cards.

Credit limit and growth: the first card gives a limit of $2,000–$5,000. After 6–12 months of active use and on-time payments, request a limit increase. Capital One and AmEx regularly grant automatic increases. Chase requires a request through the app. The goal is to have $50,000+ in combined limits across all cards within 2 years.

CHAPTER 8

Lines of Credit and Business Loans

After 12–18 months of building the base, with trade accounts working, a Paydex of 75+, and cards active, it is time to move to the next level: lines of credit and term loans. This is the type of financing everything was built for.

A Business Line of Credit (BLOC) is revolving credit from which you draw money when you need it and repay within 12 months. It is ideal for covering cash gaps, seasonal swings, and urgent purchases. A line of credit from $25,000 to $250,000 is the goal for most small businesses.

Where to get one: Banks (Wells Fargo, Chase, BOA) have the lowest rates (6–12%) but strict requirements: 2+ years in business, revenue of $250,000+, a Paydex of 70+. Credit unions (Navy Federal Credit Union, local business credit unions) have somewhat softer requirements and rates of 7–14%. Online lenders (Fundbox, BlueVine, OnDeck) approve faster and accept 12+ months of history, but their rates are 18–35%.

The best path for new companies: start with Fundbox or BlueVine after 12 months. They look at bank history and revenue more than at your credit score. Then, 6 months later, refinance into a bank at a lower rate.

SBA loans: the US Small Business Administration guarantees loans made through partner banks. SBA 7(a) offers up to $5M for any business purpose. The SBA Microloan offers up to $50,000 for young companies, often without strict credit requirements. For most programs, the SBA requires a Paydex of 50+ and 2 years in business.

Equipment leasing: one of the most accessible ways for a new business to get large-scale financing. Leasing companies approve equipment even for companies with 1 year of history if the Paydex is 65+ and the down payment is 10–20%. Leasing reports to

Equifax Business, which helps build your history.

What banks look at when they evaluate you: Paydex Score and payment history (the D&B report). The owner's personal credit score (especially in the first 2 years of the business). Time in business: less than 2 years is an automatic risk factor. Annual revenue and bank account balances. Tax returns for the last 2 years. A profit and loss statement (P&L) for the last year.

Red flags that kill an approval: recent NSFs (not enough money in the account when a payment was drawn). Frequent overdrafts. Tax liens. Public court judgments. Personal credit below 650. Sharp drops in revenue.

The strategy of sequential growth: $5,000 equipment lease (year 1) → $25,000 Fundbox BLOC (year 1.5) → $50,000 bank line (year 2) → $150,000+ SBA 7(a) (year 3). Each step raises your credit score and opens the next level.

CHAPTER 9

Monitoring and Protecting Your Credit History

Building credit is half the work. The other half is monitoring and protection. Credit files contain errors far more often than entrepreneurs think. According to the FTC, 25% of credit files contain errors that affect loan approvals.

D&B CreditSignal (free): basic monitoring. You see the number of reports in your file, the trend in your Paydex, and the number of inquiries on your file. It does not show details, but it lets you confirm that the system “sees” you.

D&B Credit Monitor ($39–$149/month): full access to the credit file, including all trade reports, payment history, and public records. Alerts on changes. It is recommended to turn it on after the first year, when the file has filled with data.

Nav.com Business ($0–$49.99/month): aggregates data from D&B, Experian Business, and Equifax Business in one place. The free plan shows the main scores. The paid plan gives full reports. It is the best choice for monitoring all three bureaus.

How to dispute errors at D&B: Go to dnb.com → “Update your business information.” Describe the error in detail: which data is wrong, what it should be, and attach documents. D&B reviews disputes within 30 days. For serious errors (false liens, someone else’s transactions), send a certified letter with documents to the head office.

How to dispute errors at Experian Business: Submit a dispute form at Experian.com/businesscredit with supporting documents. The deadline is 30 days. If a supplier submitted incorrect data, contact the supplier directly and ask them to correct the report to Experian.

Business credit fraud: criminals can open trade accounts in your company’s name, run up debts, and ruin your credit history. The

first signs: unexpected inquiries on your credit file, unfamiliar trade accounts in the report, calls from collectors. If you find them, immediately place a credit freeze with D&B, Experian Business, and Equifax Business.

Regular audit: check all three bureaus every quarter. Reconcile all trade accounts; every one should be familiar. Check payment dates, because suppliers sometimes report with wrong dates. Check the legal name and address; they should match the government documents.

Protection: do not disclose your DUNS Number publicly. D&B offers protection through “D-U-N-S Lock” for $99/year, which blocks changes to the profile without your confirmation. It is useful for an established business with a significant credit history.

CHAPTER 10

From Paydex 80 to Your First Million Dollars of Credit

Paydex 80 is not the final goal; it is an entry ticket. Companies with a Paydex of 80+ and 2+ years of active credit history get access to financing that most entrepreneurs consider out of reach: lines of credit of $500,000+, leasing without a personal guarantee, and corporate cards with limits of $100,000+.

What opens up at a Paydex of 80+ and 2+ years: American Express Business Platinum without a personal guarantee (for companies with revenue of $3M+). Brex and Ramp corporate cards without a PG. SBA 7(a) loans of $500,000–$5M through partner banks. Equipment leasing with no down payment. Forfaiting (selling receivables) at minimal rates. Construction loans and commercial mortgages.

The “credit stacking” strategy: getting several lines of credit in one period from different lenders. It works because each lender sees only the current balance, not all the approved lines. The tactic: within 30–45 days, get approved by 3–5 lenders ($25,000–$50,000 each) → a total of $100,000–$250,000 without hurting your credit with any one of them. After that, pause for 12 months to recover from the hard inquiries.

CPNs and EIN tricks, what you must not do: some “credit coaches” suggest using a new EIN to create a “clean” credit history. This is federal fraud (wire fraud and bank fraud), punishable by up to 20 years in prison. The only legal path is to build credit honestly through real business activity.

What a company’s credit profile looks like after 3 years of doing this right: D&B: Paydex 80, 15+ trade accounts, account turnover of $50,000+/month. Experian: Intelliscore 75+, 5+ credit accounts. Equifax: Business Failure Score 1700+. Total credit limit: $150,000–$500,000. Personal guarantee: only on the 1–2

largest accounts.

Real ROI: a company with a $250,000 credit limit at prime plus 2% (9%) pays $22,500 a year in interest if it uses the full limit all year. Without credit, the same company misses out on growth or pays online lenders 35–60%. The difference is $65,000–$130,000 in interest savings per year.

The next level is real estate: a business with a Paydex of 80+, 2 years of history, and $1M+ in revenue can get a commercial mortgage (SBA 504 or conventional) to buy an office or warehouse. The down payment is 10–25% and the rate is 7–9%. It is an asset your company builds rather than just rents.

The 24-month checklist: Month 1: DUNS, EIN, bank account, website, business phone listed in 411. Months 2–4: 3 Tier 1 trade accounts, early payment. Months 4–6: 2–3 more Tier 1 suppliers, first business card. Months 6–9: Paydex 75+, add Tier 2 suppliers. Month 12: first line of credit, $25,000. Month 18: Paydex 80, line of credit of $50,000–$100,000. Month 24: a complete credit profile, access to SBA loans and corporate cards.

What next

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