



Practical Guide: Improving Credit Profile for Entrepreneurs and Small Businesses in the U.S.

A strong credit profile is key for entrepreneurs and small businesses seeking public or private funding in the U.S. Whether applying for loans, grants, or investment, your creditworthiness can impact your eligibility and terms. This guide offers practical steps to build and improve your credit score and financial credibility.

1. Understand the Credit Scoring System

- - Personal FICO scores range from 300 to 850; aim for 680+ for funding approval.
- - Business credit scores (Dun & Bradstreet, Experian, Equifax) are separate and based on payment history, public records, and trade data.
- - Lenders consider both personal and business credit for small businesses, especially startups.

2. Establish and Separate Business Credit

- - Register your business entity (LLC, Corp) and get an EIN from the IRS.
- - Open a business bank account and get a business phone number and address.
- - Apply for a D-U-N-S number and start reporting payments to business credit bureaus.

3. Build Credit History Strategically

- - Apply for a business credit card and use it responsibly.
- - Establish trade lines with suppliers that report payments.
- - Always pay invoices and credit obligations on time or early.

4. Monitor and Improve Your Credit Score

- - Regularly check personal and business credit reports for errors.
- - Dispute inaccuracies and follow up on corrections.
- - Keep credit utilization below 30% of available limits.

5. Financial Practices That Build Trust

- - Maintain up-to-date financial statements and tax filings.
- - Use accounting software to track cash flow, receivables, and payables.
- - Build emergency reserves and demonstrate financial discipline.

6. Prepare for Funding Applications

- - Create a detailed business plan with financial projections.
- - Include a use-of-funds statement and repayment strategy.
- - Showcase personal and business credit improvements and collateral if applicable.

7. Seek Guidance and Build Relationships

- - Consult with SCORE, SBA Small Business Development Centers, or local banks.
- - Build relationships with lenders, credit unions, and grant agencies.
- - Attend financial literacy workshops and funding readiness programs.



How to Use This Guide?

- Download and share it with your team.
- Apply the steps one by one or customize them based on your context.
- Connect with **K-OS INNOVATION** if you want strategic support.

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