

Managing your business credit profile

10 can't-miss tips for small business owners

Your business credit profile is a report card on your company's finances. Your profile and business credit history can affect your day to day business operations – from how much you pay for a business loan, company credit card, lease or business insurance. Use these tips to build, manage and protect your company's financial reputation.

1. **Keep all company data identical.**

Whether applying for a D-U-N-S Number, submitting an application or opening a new account, always provide all the same information. Inconsistent data can cause a denial of credit or even cause your company to have a duplicate credit file.

2. **Leverage the good credit you already have.**

If your business has existing trade references not reporting on its file, then consider adding them to your report.

3. **Make certain your profile represents a real business.**

The information about your company, its background, banking history and operations plays an essential role in the credibility and creditworthiness of your business.

4. **Pay better than terms.**

By paying invoices 10, 15 or 20 days ahead of the due date you get a much greater impact to your overall business credit ratings.

5. **Have a diversity of credit accounts.**

Whether it's short-term financing, installment loans, revolving lines of business credit or leases, each type of account plays a role in establishing a diversity of credit usage.

6. **Monitor your business credit profile regularly.**

Each business credit agency offers its own monitoring services so you can be alerted to any recent changes, inquiries into your file or fluctuations in your scores.

7. **Correct any inaccurate or outdated information.**

If you identify any mistakes on your company's profile, take the necessary steps to correct it – immediately.

8. **Select the appropriate industry classification code.**

The SIC/NAICS Code you select describes the principle activity of your business. Lenders use these codes to help identify the industry affiliation of a company.



9. **Improve your score by submitting financials.**

Financials that show an improvement in cash flow, current assets and net worth can have a significant impact. Upload financial statements by following the instructions available on the business credit agency's site.

10. **Update and maintain your company's internet presence.**

Information that goes into a business' credit profile comes from primary and secondary sources such as web mining, news and media. It's imperative that your company's online data is consistent with data collected from other sources.



Featured Small Business:

Southern Pest Control Pascagoula, MS

"Applying for a business loan can be intimidating – but SRFCU made it easy. They took the time to build a relationship with us and understand our situation, so we got exactly the financial services we needed. SRFCU is a local company dedicated to helping other local companies."

KAREN GREGORY, PRESIDENT

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Why direct mail still matters

How to make it work for your business



In 2013, nearly two-thirds of all consumers bought something as a result of a direct mail piece, according to the Direct Mail Association (DMA). People age 65 and older are prime candidates for direct mail, since they tend to stay at the same address for many years and they enjoy reading their mail. Young adults aged 18 to 34 are also highly responsive to direct mail, according to Epsilon. Because they're constantly inundated with email, spam and social media messages, direct mail stands out as something different.

Direct mail costs no more than print or pay-per-click advertising, according to the DMA, and has an average response rate of between 2 and 6 percent, depending on factors such as whether it's four-color, optimized or personalized. Compare this to email marketing, which has an average 0.12 percent response rate, according to Direct Mail News.

Here are some ideas to test direct mail, even on a shoestring budget:

1. Choose your format.

- **Consider postcards.** They come in different sizes, so they stand out from letters and news circulars, and they're affordable to print and mail. Keep your offer simple and eye-catching.
- **If your sales pitch is more complex, try a sales letter.** Get it opened by making the outside mysterious. Sometimes envelopes with no

marketing copy on the outside work best – people will open it to see if it's something important, instead of throwing it out as junk mail.

- **On a really tight budget?** Printing a simple flyer, folding it in thirds and sealing it can be a cost-effective way to get the word out. Use brightly colored stock so your piece doesn't get lost in a pile of mail.
2. **Always make an offer.** Direct mail without a call to action is a waste of everyone's time. Free giveaways, exclusive deals or coupons drive traffic and give you a tracking mechanism.
 3. **Create a sense of urgency.** Time-limited offers get customers moving to contact you and buy. Make your deals even more coveted by offering them infrequently.
 4. **Personalize it.** The best direct mail calls on the recipient's past experience with your brand. If a customer comes to your auto repair shop for an oil change, get their information and send them a reminder postcard with a special offer a month before their next oil change is due. You're offering something of value in addition to offering a discount. Free meals on birthdays are another standard direct mail piece that works.
 5. **Test and track.** Test different wording on your mailings, different offers and even different designs until you find out what works best. Use coupon codes on your mailers and have customers bring the mailer in or refer to the code when they call so you can track which campaigns pull customers in. Or add a URL that leads to a custom landing page so you'll know which mailer drives online traffic best.



Congratulations!

Congratulations to **Charlie Green**, SRFCU business member and owner of Charlie Green Real Estate in Pascagoula, MS. He was inducted into the **Mississippi Housing Hall of Fame**, the highest honor bestowed on an individual by Home Builders Association of Mississippi, during its 2014 State Convention in Destin, FL.



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