



Simple Strategy for Credit and Cash Flow

By Marco Carbajo, SBA Guest Blogger

If you plan to take out a loan for your business, buy equipment, open a business credit card—just about anything that requires borrowing money—having business credit is essential. But if you have no credit established in your company's name, what steps can you take to make your company an attractive borrower?

Did you know a long, positive credit history with credit grantors can open the doors to more funding opportunities? Whether you're in the startup phase or an existing business, and haven't established business credit history yet, getting vendor credit is a simple strategy that can enable you to acquire credit and conserve cash flow.

The term *vendor* describes the entity that is part of the supply chain responsible for making products or services available to businesses. Large retailers typically have vendors from whom they purchase products at wholesale prices and then sell to the end consumer in the retail market.

However, vendors also sell directly to businesses and offer vendor financing opportunities known as vendor credit. Vendor credit is the lending of money by a vendor to one of its business customers so that the business customer can buy products now but defer the payment until a later date. Here are several benefits of vendor credit:

Conserves Cash Flow—Cash flow is the lifeblood of a business. Extending the time in which you must pay your suppliers by thirty or sixty days is what makes this such a powerful credit tool for businesses.

Establishes Business Credit History—As your company begins to pay for invoices, it begins establishing its own payment history with that vendor. Each vendor relationship that your company has payment experiences with becomes a trade reference that can be used on future business credit applications.

Low-Cost Financing—Vendor credit is the cheapest form of access to working capital. There



are no interest charges attached to the line, provided that the invoice is paid within the terms set by the vendor. Not only is this a free form of financing, but there are also opportunities for your company to get discounts on orders if paid within a certain period.

Small Business Exchange • Voice of Small, Emerging, Diversity-Owned Businesses Since 1984

[Click to read more](#)

Sub-Bid Requests

GREEN LINE EXTENSION PROJECT

SEEKING DBE FIRMS FOR SUBCONTRACTING OPPORTUNITIES

REGISTER NOW



GLX IS WILLING TO ASSIST DBE SUBCONTRACTORS AND SUPPLIERS IN OBTAINING ACCESS TO BONDS, LINES OF CREDIT AND INSURANCE.

FOR REQUESTS OR ASSISTANCE:
Alexandra.Cann@GLXConstruct.com



SKANSKA

SKANSKA USA CIVIL

IS SOLICITING COST PROPOSALS FROM NEW YORK CITY CERTIFIED M/WBE SUBCONTRACTORS AND VENDORS

Riker's Island Powerhouse Boiler Feed Water Treatment System Upgrade Project
NYC Department of Correction PIN: 072202001CPD
Bid Date: November 19, 2020

Description of project:

Upgrade existing boiler feedwater treatment system for the powerhouse at Riker's Island.

Many bidding opportunities are available: demolition, concrete, reinforcing, structural steel, miscellaneous metals, roll-up doors, doors, painting, plumbing, piping, and equipment, mechanical piping and equipment, electrical, cleaning.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com • EOE/M/F/Vet/Disabled

SKANSKA

SKANSKA USA CIVIL

IS SOLICITING COST PROPOSALS FROM NEW YORK STATE CERTIFIED M/WBE SUBCONTRACTORS AND VENDORS

108th Street Pump Station Reconstruction Project in Queens, New York
NYC DEP Contract No: PS-277
Bid Date: December 3, 2020

Description of project:

The reconstruction of the 108th Street Pump Station consists of: relocation of Con Edison service, construction of new interim pump station, installation of interim pumps, yard piping, demolition and replacement of existing mechanical systems, installation of new permanent pumps, demolition and replacement of existing electrical and instrumentation systems, installation of new standby generator, new odor control system, furnishing and installation of new bridge crane, removal and disposal of hazardous materials.

Many bidding opportunities are available: demolition, sitework, rebar install, trucking, fill supply, haul and dispose, architectural, metals, plumbing, HVAC, electrical, general condition items.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com • EOE/M/F/Vet/Disabled

NORTHEAST EVENTS FOR YOUR BUSINESS



2020

Positive Approach to Business Debt and Credit Repair Webinar

Monday, November 16, 2020, 2:00 pm–3:00 pm

Online

Main Sponsor(s): US Small Business Administration, Massachusetts Small Business Development Center

Contact: Lynn Shedd, 413-545-6301, lshedd@msbdc.umass.edu

Fee: Free; registration required

This webinar covers the questions business owners can ask themselves about managing business debt, strategies for credit repair, and available resources. The presenter will be Frances Rahaim, PhD, author of "Debt or Alive: Uplifting Stories and Positive Solutions for Life After Debt." She has devoted more than thirty years to helping individuals and businesses manage their finances successfully. Brought to you by Western Massachusetts Means Business and stakeholders: Center for Women and Enterprise, Common Capital, Franklin County Community Development Corporation, Massachusetts Small Business Development Center, SCORE of Western Mass, Valley Community Development Corporation, University of Massachusetts Amherst, Clark University, and Salem State University.

PPP Forgiveness Webinar Wednesdays

Thursday, November 19, 2020, 11:30 am–12:30 pm

Online

Main Sponsor(s): US Small Business Administration

Contact: Susan Mazza, 802-828-4422, susan.mazza@sba.gov

Fee: Free; registration required

In response to the COVID-19 pandemic, the SBA Vermont District Office hosts a free daily webinar from 11:30 am to 12:30 pm Tuesdays and Thursdays to discuss Paycheck Protection Program forgiveness and other changes. To join the webinar, visit <https://meet.lync.com/sba123/sbmazza/SFFM2N9R>. To join by phone, call (202) 765-1264 and when prompted enter the code 237511921#. Upon joining the call, mute the phone to cut down on the background noise and please do not place the call on hold as the hold music will be heard over the presenter. For more information, email susan.mazza@sba.gov.

SBA and SOS Monthly Webinar
Thursday, December 3, 2020, 9:00 am–10:30 am

Online

Main Sponsor(s): US Small Business Administration, New Hampshire Secretary of State Corporation Division

Contact: Miguel Moralez, 603-225-1601, miguel.moralez@sba.gov

Fee: Free; registration required

Starting a new business? Looking for capital and finance options? Looking for general advice on starting or maintaining your business? Hear from representatives from the local SBA office and the New Hampshire Secretary of State Corporation Division. To join, copy and paste the link below into your browser. When prompted, install Cisco WebEx. WebEx Communications invites you to join this Webex meeting (access code 472-675-319 and meeting password g4mJ2Asmq). Link: <https://nhgov.webex.com/webappng/sites/nhgov/meeting/download/b07688161d414f808fdd38831ef0e411?siteurl=nhgov&MTID=m307585f85af75b93f230dd770dec82cd>

SMALL BUSINESS EXCHANGE NORTHEAST

SBE OUTREACH SERVICES

With over 1.6 million businesses in our active database—the country's largest non-public diversity database—SBE sets the professional standard for diversity outreach across the nation. For more than three decades, we have served small businesses, prime contractors, and agencies—with proven results.

Advertisements

Placed in various Small Business Exchange Northeast digital publications each month, and at www.sbenortheast.com

Fax, Email, and Postal Solicitations

Targeted mailings sent to businesses chosen according to your criteria

Live Call Center Follow-Up

Telephone follow-up calls using a script of five questions that you define

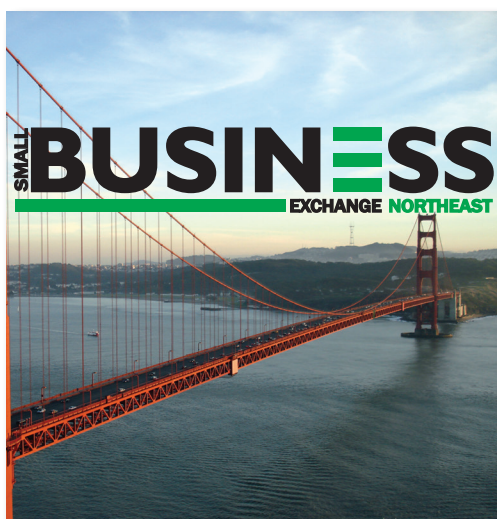
Computer Generated Reports

Complete documentation that will fit right into your proposal, along with a list of interested firms to contact

Special Services

Custom design and development of services that you need for particular situations such as small business marketing, diversity goal completion, and agency capacity building

Call for more information: 800-800-8534



CORPORATE OFFICE

795 Folsom Street, Floor 1
San Francisco, California 94107
sbe@sbeinc.com • www.sbeinc.com

Tel 800-800-8534
Fax 415-778-6255
www.sbenortheast.com