

Five Steps to Establishing Your Business Credit

CHOOSE A NAME FOR THE BUSINESS: A name should reflect the mission of the corporation/business, but it will also need to comply with applicable laws. A name must: (1) Not conflict with the name of another business; (2) Not infringe on a trademark; (3) Not use certain words that imply an affiliation (“bank,” “federal,” or “insurance”); (4) If required by the state, use words like “Corporation,” “Company,” “Inc.,” or “Incorporated” to describe its business structure. You can determine the availability of a name by searching the prospective name at Secretary of State’s Office website for your state.

DETERMINE THE BUSINESS’S PURPOSE AND TAGLINE: Draft clear, concise written mission statement, vision statement, core values, and goals. Brainstorm to create a “catchy” and memorable motto that will help customers or clients remember your company or product.

GET A VIRTUAL OFFICE ADDRESS: A **virtual office** address provides communication and address services for a fee, without providing dedicated office space.

DRAFT THE BUSINESS’S ARTICLES: For businesses that want to incorporate, draft your Articles of Incorporation, or to establish a Limited Liability Company, you will need to draft your Articles of Organization and Operating Agreement. Requirements for forming and operating a corporation or any other legal entity such as a Limited Liability Company are governed by state law.

FILE THE BUSINESS’S ARTICLES OF INCORPORATION OR ORGANIZATION: Incorporate your business or form your LLC with your **Secretary of State**. Forming a business as a corporation or LLC helps to protect the owners’ personal assets from the debts and liabilities of the business. There are also other advantages to forming a corporation or LLC, including certain tax advantages and establishing credibility for your new business with potential customers, vendor, employees, and partners.