



# 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.

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Bid Date: August 10, 2017

**Description of project:**  
The LIRR Expansion Project from Floral Park to Hicksville is a strategic component in Governor Andrew Cuomo's comprehensive plan to transform New York's vital transportation infrastructure while improving the economy, environment, and future of Long Island. The Expansion is decades in the making. Residents and commuters along the Main Line corridor have long sought a mass transit solution to reduce congestion, improve safety and the environment, and provide an appealing alternative to driving, with minimal disruption to existing services and without residential property takings. The new plan includes construction of a 9.8 mile third track between the Floral Park and Hicksville stations, the elimination of 7 grade crossings to improve safety and reduce road traffic, and upgrades to infrastructure, stations, and parking along the route.

**Subcontracting opportunities include, but are not limited to:**  
Civil Work, Professional Services, Mechanical Work, Architectural Work, Metals, Electrical Work, and Design Services.

If you are interested in bidding on this project, please contact: [info@skanskakiewitposillico.com](mailto:info@skanskakiewitposillico.com)

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PANYNJ Contract No: 244.042  
Bid Date: August 22, 2017

Subcontracting opportunities include but are not limited to asbestos removal, borings, concrete, demolition, electrical, engineering, fence and guardrails, hazardous materials haul and dispose, inspection and testing, landscaping, miscellaneous metals, pavement striping, pile driving, plumbing, rigging, saw cutting, scaffolding, sign erection, structural steel erection and fabrication, trucking, and welding. Please see contract documents for further opportunities.

Interested firms please contact John Papagiannakis at Skanska Koch Inc., [john.papagiannakis@skanska.com](mailto:john.papagiannakis@skanska.com)

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CERTIFIED WITH THE NEW YORK STATE UNIFIED CERTIFICATION PROGRAM  
**Bridge Repairs to the Bronx River Parkway**  
NYSDOT Contract No: D263484  
Bid Date: August 24, 2017

Subcontracting opportunities include but are not limited to lead removal, concrete, engineering, fence and guardrails, hazardous materials haul and dispose, inspection and testing, landscaping, pavement striping, structural steel erection and fabrication, and trucking. Please see contract documents for further opportunities.

Interested firms please contact John Papagiannakis at Skanska Koch Inc., [john.papagiannakis@skanska.com](mailto:john.papagiannakis@skanska.com) • EOE/M/F/Vet/Disabled

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## NORTHEAST EVENTS FOR YOUR BUSINESS

# 2017

with the opportunity to meet one-on-one with SBA's top lenders to discuss the availability of SBA guaranteed loans by their institutions. Find out firsthand what lenders look for in a winning loan proposal, how to increase your likelihood of getting a loan, and how to get through the loan application process. To make the best use of your time and to ensure that your loan proposal gets the highest possible consideration, we encourage you to prepare a business plan and bring many copies with you. To obtain the Business Plan Executive Summary Form, call the Kean NJSBDC at 908-737-4220 or visit [www.sbdckean.com](http://www.sbdckean.com). You are also encouraged to bring a current credit report.

**Developing a Great Elevator Pitch**  
Tuesday, August 8, 2017, 6:00 pm–8:00 pm  
Boston Public Library, 700 Boylston Street, Commonwealth Salon, Boston, MA  
Main Sponsor(s): SCORE Boston  
Contact: Laura Colcord, Kris Polito, 617-565-5591, [workshops@scoreboston.org](mailto:workshops@scoreboston.org)  
Fee: Free; registration required  
An elevator pitch is a brief speech, one minute or less, that outlines an idea you have for a product, service, or project. This workshop will cover the meaning of an elevator pitch, why it is important to your business, what you want to communicate about your business, defining who your audience is, promoting your value proposition, how you can generate a call to action, and what the short "commercial" looks like. The workshop will also include breakout time to allow participants the chance to create and present their own elevator pitches.

**How to Access Business Services and Funding**  
Thursday, August 24, 2017, 9:30 am–11:00 am  
Old Saybrook Town Hall, 302 Main Street, Old Saybrook, CT  
Main Sponsor(s): SCORE Southeastern Connecticut  
Contact: Ward Feirer, [scorechapter@gmail.com](mailto:scorechapter@gmail.com)  
Fee: Free; registration required  
In this interactive workshop with experts Elizabeth Wallace, Director of Business Services at the Connecticut Economic Resource Center, and Ann Chambers, Director of Loan Programs at the Southeastern Connecticut Enterprise Region, you will learn how to connect to the abundance of programs and services Connecticut offers to help businesses achieve, real estate, including licensing and registration, research and data, as well as funding opportunities and eligibility. SCORE, America's premier source of free and confidential small business advice for entrepreneurs and small businesses, is a nonprofit resource partner with the Small Business Administration.

**Meet the Lenders**  
Thursday, August 10, 2017, 9:30 am–12:30 pm  
Kean University (Barnes and Noble in lobby), 1040 Morris Avenue at Green Lane, Room 306, park in rear of building, Union, NJ  
Main Sponsor(s): Small Business Administration, New Jersey Small Business Development Center  
Contact: 973-645-3572, [claudia.yarborough@sba.gov](mailto:claudia.yarborough@sba.gov)  
Fee: Free; registration required  
This program will provide small business owners

