

# Financing Small Business With a Business Credit Card

Contributed by Webmaster

By Irish Taylor

One of the most convenient ways to start-up a business is by using a business credit card. In 1998, Thompson Lightstone and Company conducted a research study on small and medium-sized businesses. On this study, they found that among enterprises, about forty-one percent of owners finance their small businesses through various credit card services.

Through a business credit card, you can immediately begin with your business operations by using it as a start up capital or to invest the necessary equipment. Whatever type of business you are venturing in, whether its a buy and sell biz or providing services, you will still need equipment to be able to commence operations.

Typically, the most common equipment used in any kind of business includes a dependable computer system, a fax machine, cash register, and a telephone. If youre business involves a special device needed in manufacturing your products or providing your services, then you would definitely find business credit cards a great help.

For instance, if youre into selling made-to-order clothes, you may need to invest on high-quality sewing machines specially made for the type of clothes you are making. If youre in the printing services, aside from a computer system, you might need to purchase additional devices such as state-of-the art printers and scanners.

With a business credit card in hand, you can purchase devices right away without having to pay for them in cash or in full. Purchasing all the devices you need all at once can be really difficult on your budget. On the other hand, by using a business credit card, you can avail of a payment arrangement which works best for you.

Paying arrangement vary from one credit card company to the next. Some cards allow up to 12 months of repayment period with 0% interest while other credit card companies do not. Still, most credit card companies allow their customers to pay off their balances in installments with no interest, especially cardholders with good credit.

Another way that business credit cards help in financing your newly opened business is by using it as your start-up working capital. If your business is in buy-and-sell, you can make the most advantage of your credit card by using it to purchase wholesale products.

Most business credit card companies provide cash rewards program where customers can earn as many points as they can simply by using their credit card with their purchases. Since you need a large bulk of products to sell, you can earn more points through your card as long as you use it to for purchasing. At the same time, you can pay off your balances at a later time or even in installments.

Clearly, business credit cards provide more ease for any entrepreneur starting up a business. However, remember that just like ordinary credit cards, business credit cards will work to your advantage only if you can keep up with your payments. To make sure that you wont miss a single payment or make any late payments, it is wise to always pay attention to your card usage.

Irish Taylor is a bussiness loan consultant with SBA Loans for Startup Business and has been providing consumers and business owners with startup business financing since 1992. For years she has helped people with credit and loan problems especially pertaining to business start up, SBA Loans and Unsecured Loans. Copyright 2008