

# Managing Credit Risk Helps Small Business Owners Get Paid...And Sleep At Night

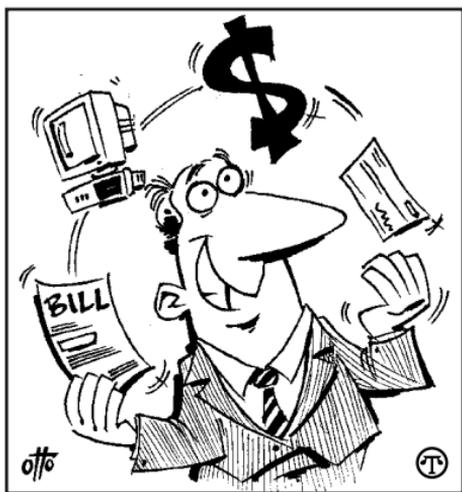
(NAPS)—Today's entrepreneurs juggle a daily variety of details and challenges critical to running their businesses, from handling customer inquiries to managing a Web site. Perhaps none is more important than keeping an eye on cash flow. During these tough economic times, the question "When am I going to get paid?" is keeping more and more small business owners up at night.

According to the Small Business Administration, more than 95 percent of U.S. companies are small businesses. Of those companies, nearly 25 percent fail within the first two years, and many fail because of bad debt. Often, it is a dispute with only one creditor that contributes to the failure of such businesses.

While extending credit to customers is risky, it's often a necessity in this credit-driven age. It is manageable, however. The key is to be smart about it. The first step is to regularly check the credit of both existing and future customers before making the decision to extend credit. Ironically, it's often current customers, rather than new ones, that are the greatest risk.

Currently, small business owners can check credit by asking customers for references and calling each one on their own, or they can use a service to pull individual credit reports. These reports are valuable, but most are expensive and complicated—designed specifically for big businesses with accounting departments.

Now there's another option. Intuit and Dun & Bradstreet recently introduced a new credit check service that is specifically designed for small businesses to provide easy-to-use insight into



the credit histories of current and future customers. It uses pictures, plain English and industry comparisons to show customers' payment patterns and the risk of extending credit.

The QuickBooks Credit Check service is integrated into Intuit's top-selling QuickBooks 2002 accounting software. It is simple to use and inexpensive, but more importantly, it incorporates credit checking into a small business owner's daily routine. For example, there is a continuously updated credit meter at the top of QuickBooks' invoices that ranks that customer's credit from green to red to show how risky it is to extend credit to that person. The small business owner can then adjust credit terms accordingly, such as making it "cash on delivery." Making decisions like this will help business owners better manage their projected revenue and ongoing cash flow, giving many the peace of mind to sleep better at night.

The service is offered in three different levels of monthly packages, as well as on a pay-as-you-go basis. More information is available at [www.quickbooks.com](http://www.quickbooks.com).