

Jump Start Micro-Enterprise Credential: Business Concept Word Bank

Term	Definition	Section
Differentiated Offering	Different than anything else. Attracts customers and generates sales that is different from other businesses.	9 Steps for Starting Your Small Business
Target Market	The intended group of customers you want to serve.	9 Steps for Starting Your Small Business
Pro Forma	A one-page financial projection that lists your major revenue sources and expenses.	9 Steps for Starting Your Small Business
Marketing/Selling Strategies	<ul style="list-style-type: none"> • marketing is how you intend to communicate to large numbers of customers, motivating them to learn more about your business. (Example: advertising is a marketing tool.) • selling is how you move specific customers to buy from you. (Example: a special event in your store’s parking lot featuring discount prices is selling.) <p>Marketing campaigns and selling efforts should support one another. All your efforts to help customers learn about your business and buy from you should emphasize your differentiating offerings.</p>	9 Steps for Starting Your Small Business
Launch Plan	A detailed To Do List of steps you’ll need to take to go from concept and funding all the way to business launch. The more detailed you make a Launch Plan – specific tasks, projected costs, targeted task completion dates and the team member responsible for each step – the better you can measure and manage the process it takes you to launch your business.	9 Steps for Starting Your Small Business
Accounting System	Software program to track financial information like budgets, expenditures, invoicing and payroll.	9 Steps for Starting Your Small Business
Revenue	Income. The amount of money earned from the sale of products/services.	9 Steps for Starting Your Small Business
Expense	The cost required for an item or service. The outflow of money to another person or group to pay for an item or service.	9 Steps for Starting Your Small Business
Cost of Goods	The cost that it takes to produce a product or service. Includes materials and labor.	9 Steps for Starting Your Small Business

Term	Definition	Section
Personnel Cost	Money paid by an employer to an employee for work done during a period of time.	9 Steps for Starting Your Small Business
Facility Cost	The amount of money it takes to supply heating, cooling, electricity and water to a place of business.	9 Steps for Starting Your Small Business
Marketing/Sales Cost	The amount of money spent to sell product or services. Includes advertising materials, promotions, public relations, and other expenses like salaries and travel.	9 Steps for Starting Your Small Business
Overhead Cost	Cost of running the business that does not lead to the generation of profit. Examples are accounting and legal expenses, administrative salaries, insurance, property taxes, rent, and utilities.	9 Steps for Starting Your Small Business
Capital	The value of funds in accounts or tangible machinery/production equipment.	9 Steps for Starting Your Small Business
Credit	The trust that allows one party to provide money or resources to another party where that the second party does not reimburse the first party immediately.	9 Steps for Starting Your Small Business
Venture	A risky or daring journey or undertaking.	9 Steps for Starting Your Small Business
Premium	The annual cost to you of your insurance.	9 Steps for Starting Your Small Business
Deductibles	The amount you will pay before the insurance company reimburses you for a loss.	9 Steps for Starting Your Small Business
Business Concept	is a short, simple document that provides a clear summary of a proposed business venture.	What is a Business Concept
Vision Description	Similar to an elevator speech, a concise, compelling description of the proposed venture.	What is a Business Concept
Prospective Investors	A person or entity that may be interested in providing capital for your business venture.	Creating Simple Financial Pro Formas
Hockey Stick Projections	A "hockey stick" projection is a revenue growth line sort of looks like a hockey stick - flat at first, and then a straight line up.	Creating Simple Financial Pro Formas
Seasonality	Product or services that experience regular and predictable changes that recur every calendar year.	Creating Simple Financial Pro Formas

Term	Definition	Section
Competitive Reactions	How your customers and competitors responding to your marketing and selling strategies.	Creating Simple Financial Pro Formas
Expansion Markets	The ability to go beyond your customers into markets that have not been in your typical plan. For example, a restaurant offering private catering or a restaurant selling their signature desserts through local grocery stores.	Creating Simple Financial Pro Formas
Assumptions	An idea that is accepted as true or as certain to happen without proof.	Creating Simple Financial Pro Formas
Sensitivity Analysis	A separate section in your Pro Forma that allows you to make varying assumptions that will help you avoid introducing errors in calculation into the pro forma spreadsheet. It allows you to determine which assumptions have the greatest impact on the bottom line.	Creating Simple Financial Pro Formas
Materiality	A financial term that means "big enough to care about." An effective <i>pro forma</i> spreadsheet should only include line items that are big enough that they have a "material impact" on your overall financial projections.	Creating Simple Financial Pro Formas
Material Impact	<p>Insignificant changes that do not hurt the overall performance of a business.</p> <p>One good example of material impact is the cost of a business license. You <i>know</i> that you're going to have to pay for one or more city and/or state business license. The cost will likely be a few hundred dollars a year. You can project this cost with great certainty. But it's not material - a few hundred dollars more or less won't make or break your venture. So it's better to lump together licenses, use taxes, insurance and utilities into "overhead costs" and round up to the nearest thousand dollars what you believe these costs will be in the aggregate.</p>	Creating Simple Financial Pro Formas
Expenditures	The action of spending funds.	Creating Simple Financial Pro Formas
Cumulative Cash Flow	Cash in and out of the business over a period of time.	Creating Simple Financial Pro Formas

Term	Definition	Section
Burn cash	A venture spends much more money than it takes in as it establishes its operations, "captures" its first customers, and launches the marketing efforts necessary to create a market presence. The rate at which the company is losing money. Known as negative cash flow.	Creating Simple Financial Pro Formas
Nadir	The lowest point of cumulative cash flow - called the "nadir" or lowest point - is the minimum amount the venture will require in order to work through its early stages and emerge a vibrant, successful organization.	Creating Simple Financial Pro Formas
Variable Cost	Cost that vary depending on the rise and fall of production. Examples of variable costs are wages and material.	Business Pro Forma Exercise
IT	Acronym for Information Technology	Business Pro Forma Exercise
Free Lance Consultants	A worker that works independently by selling work or services by the hour, day or job with no intent to pursue a permanent or long-term arrangement with a single employer.	Business Pro Forma Exercise
"Pencils out"	A phrase that means to add up or to make economic sense.	Business Pro Forma Exercise
Evocative	Bringing about strong emotions or feelings.	Business Pro Forma Exercise
Feasible	Possible to do easily or conveniently.	What Makes a Business Doable
Unmet customer need (unexpressed)	Needs of customers that are currently not being addressed by your company or any company.	What Makes a Business Doable
Defensible competitive advantage	An advantage you have and can sustain over your competition. Financially sustainable and difficult for competitors to copy.	What Makes a Business Doable
Attractive Return on Capital	The expectation of money earned based on amount of investment.	What Makes a Business Doable
Proprietary	Owner of information, knowledge, patent, copyright, trademark. Others are forbidden to use it.	What Makes a Business Doable
Intellectual property	A work or invention that is the result of creativity, such as manuscript or a design to which one has rights and for which one may apply for a patent, copyright, trademark, etc.	What Makes a Business Doable
Tenacious talent	<i>Every investor invests in people.</i> Investors <i>always</i> evaluate the quality of the human capital in a venture when they assess whether a business concept is doable.	What Makes a Business Doable

Term	Definition	Section
Human Capital	A team of talented, driven individuals led by a proven-effective business leader.	What Makes a Business Doable
Contingency	A future event or circumstance that is possible that cannot be predicted with certainty.	What Makes a Business Doable
Tenacity	The quality or fact of being able to endure and continue with determination.	What Makes a Business Doable
Stamina	The ability to sustain prolonged physical or mental effort.	What Makes a Business Doable
Risk	A situation involving exposure to danger." In the context of an entrepreneur, the "danger" is loss of capital, as well as the loss of time, effort, and personal reputation in a failed venture.	Understanding and Mitigating Risk
Business risk	Risks associated with the success of a single venture.	Understanding and Mitigating Risk
Market risk	Risks in a market sector that impact all competitors in that sector	Understanding and Mitigating Risk
Reputational risk	Risks associated with the reputation and good standing of a venture	Understanding and Mitigating Risk
Financial risk	Risks associated with the financial standing / performance of a venture	Understanding and Mitigating Risk
Political risk	Risks associated with the geography in which a venture operates	Understanding and Mitigating Risk
Regulatory risk	Risks associated due to government passing laws or regulations that could impact the ability to operate.	Understanding and Mitigating Risk
Mitigation strategies	An action plan for implementing to identify, prioritize and implement actions to reduce risks.	Understanding and Mitigating Risk
Financial equity	Funds contributed by owner.	Business Concept Evaluation Exercises
Sweat equity	When an entrepreneur or small business leader work long hours for little or no pay to make a new venture succeed.	Business Concept Evaluation Exercises
Value proposition	A value proposition that they believe delivers benefits in excess of the costs required to offer their product or service. An innovation, service or feature intended to make a company or product attractive to customers.	Opportunity Assessment
Start up	A business created from scratch.	Opportunity Assessment

Term	Definition	Section
Acquisition	An existing business purchased from its owner. The entrepreneur / small business leader is acquiring the business because he / she believes the future potential of the business justifies the purchase price.	Opportunity Assessment
Franchise	A proven business concept, an established brand, and all types of management support (accounting systems, personnel training, marketing campaigns, technology packages, etc.).	Opportunity Assessment
Franchisee	The person purchasing a franchise	Opportunity Assessment
Franchisor	The person or entity offering the sale of a franchise.	Opportunity Assessment
Royalties	Money owed to a Franchisor per contract agreement.	Opportunity Assessment
Joint venture	A new business launched by two existing businesses. Both businesses contribute something of value to the new venture, and serve as partners in making the joint venture succeed. Typically, a joint venture enables JV partners to pursue business opportunities they couldn't pursue alone.	Opportunity Assessment
Economy of Expression	Maximum efficiency in representing information.	The Value of Concise Communication
Leadership	Leadership is the hands-on pursuit of excellence, where dedicated leaders provide vision and inspiration to their team members.	What is Leadership
Engender	To bring about or cause a feeling.	What is Leadership
Clarity	The quality of being clear and understandable.	What is Leadership
Refinement	The process of removing unwanted elements or improving something by making small changes.	What is Leadership
Core Values	Guiding principles that dictate behavior and action.	What is Leadership
Transparency	Operating and communicating in a way that is easy for others to see and understand actions.	What is Leadership
Proselytizing	Reaching out. Attempts to convert or change opinions.	Key Characteristics
Bureaucratic	Overly concerned with procedure at the expense of efficiency or common sense.	Elements of Effective Job Descriptions
Galvanizing	Shock or excite someone into taking action.	Elements of Effective Job Descriptions

Term	Definition	Section
Internal clarity	Communicating information so that actions are intended and complimentary.	Creating Personal Job Descriptions
Company Culture	a set of beliefs that embody the strategic vision of the enterprise, and that guide team members in all their behaviors and business decisions.	What is Company Culture
Golden Rule	when a person/leader treats others like he would like to be treated. This is a powerful way to build culture, loyalty and dedication.	What is Company Culture
Company Mapping	A way for a small business owner or an entrepreneur (or a consultant serving one of these business leaders) to assess where their enterprise stands versus the culture they would like to create.	What is Company Mapping
Culture Value	Commonly held standards of what is acceptable or unacceptable, important or unimportant, and right or wrong.	What is Company Mapping
Culture Gap	A gap between two belief systems which hinders an understanding or relations.	What is Company Mapping
Performance Review	Offering objective and helpful feedback to an employee to improve and change their actions on the job.	Providing Performance Feedback
Integrity	The quality of being honest or a group that is undivided in beliefs.	Hiring New Team Members
Attrition	A reduction in workforce because of employees leaving, retiring or termination.	Hiring New Team Members
Complimentary	Hiring employees that bring skills that add to the entrepreneur's capabilities, forming the foundation for solid growth.	Hiring New Team Members
Compatible	A new hire that is a person the entrepreneur could like and respect.	Hiring New Team Members
Criteria	A principle or standard by which something may be judged or decided.	Hiring New Team Members
Calibration	The act of checking and changing measurements in order to ensure results are in an acceptable range. The process of making an action objective and as fact-based as possible.	Hiring New Team Members
Operating Efficiencies	Ability to develop strategies and techniques to deliver or make products/services in the most cost-effective and timely manner.	New Hire Scorecard
Administrative Efficiencies	The capacity of a business to produce desired results with minimum expenditure of time, money, personnel and materials.	New Hire Scorecard
Financial Efficiencies	The ability to get more output from the same resources or getting the same output from fewer resources.	New Hire Scorecard

Term	Definition	Section
Human Resources	Developing and implementing policies and procedures that helps your company recruit, compensate, evaluate, grow and retain top performers.	Small Business/Start-up Operations
Marketing/Sales	Conceiving and implementing activities that increase revenues and profits	Small Business/Start-up Operations
Customer Service	Developing and implementing policies and procedures that keep your customers satisfied and loyal	Small Business/Start-up Operations
Finance/Accounting	Completing all the reports and activities that enable a company to maintain appropriate records, track financial results, pay appropriate taxes, and maintain adequate levels of "liquidity" (e.g., available cash) as well as positive credit	Small Business/Start-up Operations
Administration	Completing the activities required for an organization to operate day-to-day, including but not limited to Real Estate (for office space and/or production facilities), Legal and Purchasing.	Small Business/Start-up Operations
Technology	Developing the internal and external technology capabilities required in today's economy for a company to operate effectively and interact with customers in ways they prefer.	Small Business/Start-up Operations
Operations	Completing the productive activities of the enterprise.	Small Business/Start-up Operations
Delegation	Giving control, authority or job to another person.	Small Business/Start-up Operations
Growth Milestones	Major accomplishments that indicate that a venture's level of success, and/or a point at which the venture must start considering a new approach.	Small Business/Start-up Operations
Make/Buy	Start-ups and small companies often face the choice between hiring employees to accomplish a task for using third-party vendors.	Small Business/Start-up Operations
Sole Source	Working directly with a single vendor, rather than evaluating bids from multiple vendors before deciding on the firm you'll work with.	Small Business/Start-up Operations
Supply Chain	The network of vendors that enables a company to complete the development / assembly of its product or service.	Small Business/Start-up Operations

Term	Definition	Section
Sustainability	An investment or initiative is sustainable when the financial results are positive and replicable.	Small Business/Start-up Operations
Networking	Interacting with other people to exchange information and develop contacts, especially to further one's career.	Key Networking Skills
Improvisation	The act of composing, talking, executing or arranging anything without previous preparation.	Key Networking Skills
Perpetual Cycle	Continuing a process without interruption.	Key Networking Skills
Prospective	A future expectation. A potential customer, investor, mentor, etc.	Key Networking Skills
Acquisition	Networking--To develop, learn, master new skills and habits. <i>Financial—to purchase an asset or object.</i>	Key Networking Skills
Exploit	An activity or action that will maximize use and turn into a benefit.	Components of Effective Business and Marketing Plans
Spurious	Misleading. Having an appearance of another but differing from the original or future development.	Components of Effective Business and Marketing Plans
Verbose	Wordy. Expressing in more words than needed.	Long vs Short Plans
Clarify	To make a statement that is more understandable. To express a clear position.	Long vs Short Plans
Discontinuous	Out of ordinary and breaking the routine	Long vs Short Plans
Primary Research	Gathering original data.	Market Research Basics
Secondary Research	Finding information developed by others.	Market Research Basics
Experiential	Data obtained by providing an experience or an observation.	Market Research Basics
Proprietary Results	results available only to the owners of the data	Market Research Basics
Unscientific Responses	A non-representative sample of responses included in a survey. They don't belong because they are not intended market or do not provide valid information about your market.	Market Research Basics
Skewing	A representation that is misleading or unfair.	Market Research Basics
Bias	A representation that is in favor of or against an idea, person, or group.	Market Research Basics
Intervention Bias	Research data that misrepresents results because of the inappropriate way questions were asked.	Market Research Basics

Term	Definition	Section
Focus Group	A demographically diverse group of people assembled to participate in a guided discussion about a particular product or service before it is launched. Can be used for providing ongoing feedback.	Market Research Basics
Expert Panels	A group of experts that have specialized knowledge. Used to gain specific input and opinion.	Market Research Basics
Marketing	Analysis. Efforts to determine market size and trends, customer preferences and needs, product features and costs, pricing and promotion.	Developing Marketing and Sales Plans
Sales	Engagement. Efforts in customer contact and persuasion, building relationships, account coverage and product knowledge.	Developing Marketing and Sales Plans
Advertising	Creativity. Efforts in communication that combine imagination with high impact messages that are distinctive and memorable.	Developing Marketing and Sales Plans
Business Pitch	A presentation by entrepreneurs or small business owners to an audience they need to persuade.	Why Practice Your Business Pitch
Practice	Repeated performance of an activity to acquire or maintain proficiency.	Why Practice Your Business Pitch
Repetition	Doing something over and over again.	Why Practice Your Business Pitch
Reflection	To give serious thought or consideration.	Why Practice Your Business Pitch
Revision	The act of correcting and adapting to make presentation more effective.	Why Practice Your Business Pitch