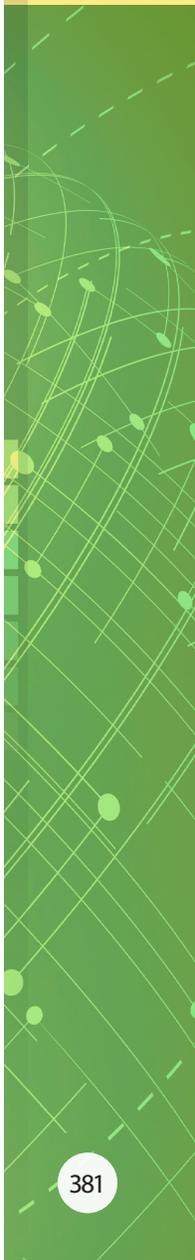


# Glossary



### A

#### **ability**

The qualities and skills necessary to accomplish something

#### **accounting**

The system of recording, summarizing, and analyzing business and financial transactions

#### **accounts payable**

The balance due to a creditor on a current account

#### **accounts receivable**

The balance due from a debtor on a current account

#### **acquisition**

The takeover of one company by another

#### **active listening**

The practice of being fully engaged in the communication process by concentrating and participating

#### **administrative law**

A branch of law that creates and regulates government agencies

#### **advertising**

The promotion of products through nonpersonal communication

#### **angel investor**

An investor who makes a one-time start-up gift to a business venture

#### **antitrust law**

A series of laws to protect trade and commerce from unlawful restraints and monopolies or unfair business practices

#### **apprenticeship**

An arrangement in which you learn an art, trade, or job under another, more experienced person

#### **aptitude**

Natural abilities to learn or do something

#### **asset**

Something that a business owns

### B

#### **balance sheet**

A financial statement detailing a company's assets, liabilities, and owner's equity at one specific moment in time

#### **behavioral segmentation**

Used to identify purchasing behavioral patterns of customers

#### **benefit**

A nonmonetary form of compensation provided to employees in addition to their salaries or wages

#### **bootstrapping**

To launch and maintain a business by exhausting whatever existing resources an entrepreneur has and with minimal cash

#### **break-even point**

Occurs when the total costs and revenues are equal

#### **brochure**

A pamphlet containing descriptive or advertising material

#### **budget**

A detailed estimate of income and expenses for a specific period of time

#### **business**

The aspects of making, selling, and providing products in exchange for money

#### **business ethics**

The moral and social responsibility of businesses to demonstrate ethical behavior in their policies and decision-making

#### **business function**

Four forms of operational activities that play necessary roles in running a business, including finance, production, marketing, and management

#### **business model**

A company's plan for making a profit

#### **business plan**

A series of documents that serve as a blueprint for building a business

#### **business-to-business (B2B)**

Businesses that sell products to other businesses

#### **business-to-consumer (B2C)**

Businesses that sell directly to consumers

#### **business valuation**

The process of determining a company's fair economic value

### C

#### **career plan**

A list of structured actions and career goals to map out future work success

#### **cash flow statement**

A financial statement indicating the flow of cash through a business

#### **closed-end credit**

An agreement or contract that states the repayment terms of a loan, such as the number of payments, the interest rate, and the monthly payment

#### **commercial insurance**

Protects commercial assets, such as property and vehicles, from any number of risks including natural disasters and fire damage

#### **company description**

A brief overview of the company including the business name, a summary of the business, and location of the business

#### **conflict resolution**

The process of managing disagreements within a group to ensure productivity can continue

#### **consumer credit**

Occurs when a retail business provides credit to a consumer

#### **consumer protection law**

Laws intended to protect people who consume goods and services

#### **contingency plan**

A plan that can be followed if an original plan is not possible for some reason

#### **contract**

A legally binding document involving two or more parties

#### **cooperative**

A type of business that is owned and managed by members of a group who benefit from services the business provides

**corporate social responsibility**

Refers to business actions that further some kind of social good

**corporation**

A business owned by stockholders who share in profits and losses

**credit report**

A record of financial and credit history of a business or consumer

**credit score**

A numerical summary of the information contained on a person's credit report

**crowdfunding**

The collection of small investments from a large number of individuals to finance a business

**crowdsourcing**

The practice of obtaining needed services, ideas, or content by soliciting contributions from a large group of people, and especially from the online community rather than from traditional employees or suppliers

**customer profile**

A report portraying details about a typical customer

**D****debt financing**

When an entrepreneur takes out loans to finance business ventures

**demand**

The amount of goods that consumers want

**demographic segmentation**

The division of a market using statistical data, including housing, age, education, ethnicity, gender, occupation, marital status, and other characteristics

**distribution channel**

The path a good must follow in order to reach a consumer

**diversification**

A method of growing a business by adding new products and services or entering a new market or location

**E****ecommerce law**

Regulations that influence businesses operating online

**economic resource**

The goods and services businesses use to meet consumer wants and needs

**economic utility**

The value and usefulness created by business activities

**economics**

The science of how individuals, businesses, and governments make decisions about satisfying unlimited wants with limited resources

**emotional intelligence**

Being self-aware of one's emotions

**employee**

Someone employed by another for wages or salary, and typically in a position below the executive level

**employee insurance**

A category of business insurance in which a company provides its employees insurance coverage as part of a benefits package

**entrepreneur**

A person who organizes, operates, and assumes the risk for a business venture

**entrepreneurship**

The process of devising an idea, taking risks, and establishing a business

**environmental law**

A body of laws intended to protect human health and the natural environment

**equity financing**

Occurs when money is given to a venture through the purchase of stock of a business

**exchange rate**

The amount one currency is worth in another form of currency

**exit strategy**

A strategic plan by which an owner will sell his or her ownership in a business

**export**

Goods that are produced and shipped from one country into another country

**F****financial plan**

The component of a business plan that contains a strategy for how a business will obtain start-up capital, identify sources of financing, and assess the costs and benefits of resources

**fixed expense**

Money spent on something that costs the same amount each month

**Form W-4**

A form specifying the number of allowances in the Employee's Withholding Allowance Certificate

**G****geographic segmentation**

Businesses study the unique needs and wants of people in geographic areas to create and market products to meet consumer demands

**globalization**

The process by which businesses or other organizations develop international influence or start operating on an international scale

**good**

Tangible item produced and sold to consumers

**H****harvest strategy**

The discontinuation of a product at the end of its life cycle, while extracting maximum profits from its sales

**horizontal growth strategy**

A business's attempt to grow into a new market

**human capital**

The collective skills and knowledge of people that can be used to create economic value for individuals, their employers, or their community

## Glossary

### **human resource development**

The training of new employees in new skills, customs, and responsibilities

### **human resources management (HRM)**

The branch of management that supports employees within an organization

## I

### **import**

Goods and services made in a foreign country and shipped into another country

### **income statement**

A financial statement detailing a company's financial performance by showing revenue and expenses over a period of time

### **indemnity**

With regard to insurance, means to return you to the condition you were before the loss

### **inflation**

A general increase in prices and fall in the purchasing value of money

### **initial public offering (IPO)**

The first offering of a company's stock to the general public on the stock market

### **insurance policy**

A contract that details the terms and conditions of insurance coverage

### **intellectual property**

The rights surrounding creative invention of designs, ideas, or processes

### **interest inventory**

A test or research activity designed to help an individual find a suitable career path

### **interest rate**

A percentage of a loan that is charged to the borrower incrementally

### **interpersonal skill**

A skill necessary to interact with others

### **intrapreneur**

A corporate executive who develops new enterprises within a corporation

### **inventory**

The number of items a business currently holds

## L

### **law of diminishing returns**

At any given stage of technological advance an increase in productive factors, such as labor or capital, applied beyond a certain point fails to bring about a proportional increase in production

### **liability**

Something that is owed by an individual or business

### **liability insurance**

A type of insurance that protects a business from the risk of being held legally liable for the injuries of others

### **limited liability company**

A type of ownership that joins elements of a corporation and a partnership

### **liquidation**

The selling of all a business's assets by way of a going-out-of-business sale or an auction

### **listening**

The act of interpreting and forming meaning from oral communication

### **logo**

A symbol or design that a company uses to identify its business and products

## M

### **macroeconomics**

The study of large-scale economic factors that indicate the condition of the economy

### **management**

The oversight of processes and making daily decisions in business

### **management plan**

The component of a business plan that refers to how a company will be organized

### **market development**

A growth strategy that involves seeking new segments of the market by expanding physical locations

### **market identification**

The method of choosing a target market

### **market penetration**

The process of increasing the market share of a product or service

### **market research**

The process of gathering qualitative and quantitative data about consumers' needs and wants

### **market segmentation**

A process dividing a market into categories based on common characteristics

### **market share**

The percentage of the market for a product or service that a company supplies

### **marketing**

The process or technique of promoting, selling, and distributing a product or service

### **marketing concept**

A method of selling that involves analyzing customer wants and needs and aiming to fulfill them better than competitors

### **marketing function**

One of seven roles marketing has within a business, including distribution, financing, marketing information management, pricing, selling, product/service management, and promotion

### **marketing mix**

Factors of product, promotion, price, and place used to get target customers to purchase products

### **marketing plan**

The component of a business plan that contains a strategy for how a business will generate revenue

### **markup**

An amount added to the cost price to determine the selling price

### **mass production**

When a company is producing large quantities of the same item

**merger**

When two companies join to form one entirely new company

**microblog**

A format of writing that utilizes very short descriptions and is limited by number of characters

**milestone**

A specific goal that marks progress and growth

**minimum wage**

A wage fixed by legal authority or by contract as the least that may be paid either to employed persons generally or to a particular category of employed persons

**mission statement**

A formal explanation of a company's goals

**monopolistic competition**

When many businesses in a market are selling products that are slightly different from one another

**monopoly**

A market structure where a single business has exclusive control of a market

**moral responsibility**

Refers to acting on what a business or individual believes to be right

**N****need**

A product essential to survival

**net worth**

The total value of a business determined by assets minus liabilities

**O****oligopoly**

A market structure where a small number of businesses have control of a market

**open-end credit**

Loans made on a continuous basis as purchases are made

**operating procedure**

Established methods and processes for organizing workflow

**opportunity cost**

An economic concept that represents the benefits that would have been received by choosing the alternative

**organizational structure**

The hierarchy of roles within a business

**P****participatory marketing**

Strategic business interaction with a customer

**partnership**

A form of business owned by two or more individuals who share management and profits

**passive listening**

When a person hears a message, but does not understand or process the meaning of the message

**perfect competition**

A theoretical market structure where many businesses sell identical products

**pop-up shop**

Retail stores open for a limited amount of time in a limited space with no overhead above and beyond the space rental

**pricing tactic**

A method of price manipulation to make a sale

**pro forma financial statement**

A projection of what an entrepreneur expects out of the sales and expenses of a business

**probation**

A period of time where an employee is monitored for good behavior

**product**

Anything that can be bought or sold to meet a customer's want or need

**product life cycle**

A product's performance on the market from when it is first introduced to when it is discontinued

**product management**

The coordination of all activities required to make a product

**product mix**

The goods and services sold by a business

**product plan**

The operating procedures a company will use when developing or providing a product or service

**professional development**

Specialized training and education that professionals undergo to maintain their skills within a profession

**professionalism**

The conduct expected of an employee in a business setting

**profit**

The financial gain calculated by the difference between amount earned and amount spent by a business

**project management**

Refers to the execution of all stages of a business project

**promotional mix**

The combination of marketing strategies used in order to sell a product in a promotional campaign

**prototype**

A functional model of a product intended for testing, from a business producing a good

**psychographic segmentation**

The lifestyle analysis of customer values, attitudes, and preferences

**purchasing**

Refers to a business's acquisition of various necessary items to make products

**R****regulation**

A type of law that declares government control

**revenue**

The income earned by a business

**risk**

The potential of an action to not go as planned

## Glossary

### **risk assessment**

A comprehensive evaluation of business processes to identify anything that could potentially cause damage to assets

### **risk management**

The practice of identifying potential risk to assets and ways to handle those risks by avoiding, reducing, retaining, and transferring

## **S**

### **S-corporation**

A corporation that requires its owners to file their profits and losses on their personal tax returns

### **salary**

Fixed compensation paid regularly for services

### **scarcity**

The problem of trying to meet infinite wants with limited resources

### **search engine optimization**

The process of making a website more attractive to search engines

### **Securities and Exchange Commission**

Regulatory organization created to protect US investors by maintaining fair markets

### **security**

An instrument of investment

### **service**

The performance of a particular task in exchange for money

### **slogan**

A repeated phrase or selection of words associated with a specific individual, organization, or product

### **SMART goal**

A goal that is Specific, Measurable, Achievable, Results-focused, and Time-bound

### **sole proprietorship**

A business owned and operated by a single individual

### **sourcing**

The process of selecting suppliers that can best meet financial and quality standards

### **speaking**

The act of using sounds to orally share information between individuals

### **supply**

The amount of goods that are available to consumers

### **supply chain**

The entities and processes involved in transforming raw materials into products purchased by consumers

### **sustainability**

A method of using a resource so that the resource is not depleted or damaged for future use

### **SWOT analysis**

A business tool that evaluates a company's strengths, weaknesses, opportunities and threats

## **T**

### **target market**

A specific group of people a business focuses on selling their product to

### **tax**

A mandatory payment to the local, state, and national government for public services

### **time management**

The ability to plan how to use time effectively

### **tort**

A wrongful act that results in injury to another person, property, reputation, or the like, and for which the injured party is entitled to compensation

### **trade credit**

When a business buys goods and services from another business, often suppliers, with the intention of paying at a later time

## **U**

### **unemployment rate**

The percentage of people without jobs and wages

## **V**

### **variable expense**

An expense that fluctuates from month to month

### **vendor**

A supplier who sells services, materials, and resources to a business to create a product

### **venture capital**

The money investors use to fund start-ups and forge partnerships with owners

### **vertical growth strategy**

A strategy in which a business attempts to gain a greater share of its current market

### **visual merchandising**

A business's attempt to showcase product features and benefits by attracting customers to displays

## **W**

### **wage**

Money earned in exchange for work

### **want**

A product that is desired but can be lived without

### **writing**

The act of sharing information between individuals using written characters and symbols

# Index



### A

abilities 15  
accounting 102  
accounts payable 104  
accounts receivable 104  
acquisition 370  
active listening 201  
administrative law 222  
advertising 209  
angel investor 130  
antitrust law 221  
apprenticeship 7  
aptitudes 16  
assets 25

### B

balance sheet 114  
behavioral segmentation 62  
benefit 272  
bootstrapping 127  
break-even point 339  
brochure 206  
budget 107  
business 24  
business ethics 232  
business function 25  
business model 27  
business plan 19  
business-to-business (B2B) 92  
business-to-consumer (B2C) 92  
business valuation 374

### C

career plan 6  
cash flow statement 119  
closed-end credit 131  
commercial insurance 309  
company description 52  
conflict resolution 186  
consumer credit 300  
consumer protection law 225  
contingency plan 252  
contract 229  
cooperative 91  
corporate social responsibility 233  
corporation 86  
credit report 136

credit score 137  
crowdfunding 127  
crowdsourcing 128  
customer profile 62

### D

debt financing 129  
demand 32  
demographic segmentation 61  
distribution channel 343  
diversification 360

### E

ecommerce law 223  
economic resource 150  
economic utilities 146  
economics 24  
emotional intelligence 177  
employee 9  
employee insurance 309  
entrepreneur 9  
entrepreneurship 10  
environmental law 222  
equity financing 130  
exchange rate 163  
exit strategy 368  
export 162

### F

financial plan 46  
fixed expense 109  
Form W-4 224

### G

geographic segmentation 61  
globalization 159  
good 24

### H

harvest strategy 373  
horizontal growth strategy 359  
human capital 253  
human resource development 267  
human resources management (HRM) 264

### I

import 161  
income statement 117  
indemnity 305

inflation 155  
 initial public offering (IPO) 369  
 insurance policy 303  
 intellectual property 235  
 interest inventory 15  
 interest rate 156  
 interpersonal skill 185  
 intrapreneur 9  
 inventory 288

**L**

law of diminishing returns 156  
 liabilities 25  
 liability insurance 308  
 limited liability company 89  
 liquidation 368  
 listening 201  
 logo 325

**M**

macroeconomics 155  
 management 249  
 management plan 45  
 market development 359  
 market identification 60  
 market penetration 319  
 market research 32  
 market segmentation 61  
 market share 59  
 marketing 58  
 marketing concept 58  
 marketing function 317  
 marketing mix 316  
 marketing plan 46  
 markup 339  
 mass production 256  
 merger 370  
 microblog 208  
 milestone 356  
 minimum wage 271  
 mission statement 53  
 monopolistic competition 158  
 monopoly 158  
 moral responsibility 232

**N**

need 36  
 net worth 25

**O**

oligopoly 158  
 open-end credit 132  
 operating procedure 255  
 opportunity cost 147  
 organizational structure 246

**P**

participatory marketing 347  
 partnership 85  
 passive listening 201  
 perfect competition 158  
 pop-up shop 159  
 pricing tactic 340  
 pro forma financial statement 46  
 probation 269  
 product 24  
 product life cycle 338  
 product management 282  
 product mix 335  
 product plan 282  
 professional development 190  
 professionalism 180  
 profit 25  
 project management 256  
 promotional mix 347  
 prototype 284  
 psychographic segmentation 61  
 purchasing 286

**R**

regulations 94  
 revenue 46  
 risk 12  
 risk assessment 299  
 risk management 298

**S**

S-corporation 87  
 salary 271  
 scarcity 147  
 search engine optimization 323  
 securities 370  
 Securities and Exchange Commission 370  
 service 24  
 slogan 330  
 SMART goals 6

## Index

sole proprietorship 82  
sourcing 286  
speaking 198  
supply 32  
supply chain 342  
sustainability 361  
SWOT analysis 72

### T

target market 60  
tax 37  
time management 181  
tort 228  
trade credit 300

### U

unemployment rate 156

### V

variable expense 109  
vendor 284  
venture capital 130  
vertical growth strategy 359  
visual merchandising 327

### W

wage 270  
want 36  
writing 199

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