



Business Glossary (Stage-Based)

Startup Business Terms

(Validation, speed, and survival)

Burn Rate

How fast the business is spending cash each month.

Example: If you spend \$50,000/month and earn \$10,000, your burn rate is \$40,000.

Runway

How long the business can operate before running out of money.

Example: \$400,000 in the bank ÷ \$40,000 burn rate = 10 months runway.

Product–Market Fit (PMF)

When customers clearly want what you're building.

Example: Users actively recommend your app without incentives.

Minimum Viable Product (MVP)

The simplest product that delivers value and enables learning.

Example: A landing page + Stripe checkout instead of a full app.

Early Adopters

First customers willing to try an imperfect product.

Example: Tech-savvy users testing a beta version.

Unit Economics

Revenue and costs per customer or transaction.

Example: \$100 subscription – \$30 support costs = \$70 contribution margin.

Customer Acquisition Cost (CAC)

Cost to acquire one customer.

Example: \$5,000 in ads to get 50 customers = \$100 CAC.

Lifetime Value (LTV / CLV)

Total revenue expected from a customer.

Example: \$50/month × 20 months = \$1,000 LTV.

**Churn**

Percentage of customers who leave.

Example: 10 out of 100 customers cancel = 10% churn.

Traction

Evidence the business is growing.

Example: Monthly active users growing 15% MoM.

Pivot

Changing strategy based on learning.

Example: Switching from B2C to B2B after sales conversations.

Technical Debt

Shortcuts that slow future development.

Example: Hardcoded logic instead of scalable architecture.

Go-To-Market (GTM)

How you reach customers.

Example: Selling via LinkedIn outbound instead of paid ads.

Seed / Series A

Early funding stages.

Example: Seed round to validate idea; Series A to scale.

Solopreneur Business Terms

(Focus, leverage, and sustainability)

Offer

What you sell and how it's packaged.

Example: "\$3,000 website redesign delivered in 30 days."

Niche

A specific market segment.

Example: Email marketing for SaaS companies only.

Scope Creep

Unplanned work added to a project.

Example: Client asks for "just one more page" repeatedly.



Hourly vs Value-Based Pricing

Charging for time vs results.

Example: \$100/hour vs \$5,000 for a conversion-focused landing page.

Leverage

Earning more without more hours.

Example: Selling a course instead of 1:1 coaching only.

Automation

Using tools to reduce manual work.

Example: Automatic invoices sent after project completion.

Retention

Keeping clients over time.

Example: Monthly retainer clients staying for 12+ months.

Inbound Marketing

Customers come to you.

Example: Blog posts bringing leads via Google.

Outbound Sales

You initiate contact.

Example: Cold emails to potential clients.

Client Acquisition Cost

Time or money spent to land a client.

Example: 10 hours of outreach per signed client.

Utilization Rate

Time spent on billable work.

Example: 25 billable hours out of 40 = 62.5%.

Owner Dependency

Business can't run without you.

Example: No one else can deliver or invoice.

Burnout Risk

Likelihood workload is unsustainable.

Example: Working nights/weekends to keep up with clients.



Established Business Terms

(Scale, efficiency, and resilience)

Standard Operating Procedure (SOP)

Documented steps for a task.

Example: Written onboarding checklist for new hires.

Operational Efficiency

Doing more with fewer resources.

Example: Reducing order processing time by 30%.

Throughput

Work completed in a given time.

Example: 500 customer orders shipped per day.

Capacity Planning

Ensuring resources meet demand.

Example: Hiring before peak season to avoid delays.

Cost Structure

Fixed and variable costs.

Example: Rent (fixed) vs raw materials (variable).

Gross Margin

Revenue minus direct costs.

Example: \$100 product – \$40 cost = 60% gross margin.

EBITDA

Operating profitability metric.

Example: Used to compare performance across companies.

Key Performance Indicators (KPIs)

Metrics that track success.

Example: Revenue per employee.

Process Maturity

How consistent and optimized processes are.

Example: Same output quality regardless of who performs the task.

Change Management

Managing transitions smoothly.

Example: Training staff before rolling out new software.



Risk Management

Reducing potential threats.

Example: Cybersecurity insurance and backups.

Business Continuity Plan (BCP)

Plan for disruptions.

Example: Remote operations plan during outages.

Vendor Management

Managing suppliers.

Example: Reviewing vendor performance quarterly.

Succession Planning

Preparing future leaders.

Example: Training a deputy for a senior role.

Cross-Stage Terms (Useful at Any Size)

Cash Flow

Money moving in and out.

Example: Profitable business still struggling due to late payments.

Revenue

Money earned before expenses.

Example: \$500,000 annual sales.

Profit

Money left after expenses.

Example: \$500,000 revenue – \$400,000 costs = \$100,000 profit.

Break-Even Point

When revenue equals costs.

Example: \$20,000/month revenue covers all expenses.

Customer Experience (CX)

Customer perception of interactions.

Example: Fast support responses increase renewals.



Brand Positioning

How you're perceived vs competitors.

Example: "Premium, high-touch service" vs "low-cost provider."

Moat

Defensible advantage.

Example: Proprietary data competitors can't access.

Scalability

Ability to grow efficiently.

Example: Software scaling faster than services.

Exit Strategy

How the owner leaves the business.

Example: Selling to a larger competitor.

How to Use This Glossary

- Startups: focus on **survival + learning terms**
- Solopreneurs: master **leverage + boundaries**
- Established businesses: optimize **systems + risk**