**Six Parameters for Defining a Business**

* **Products:**When thinking about products, first, determine whether the main products are goods or services. That’s easy. Goods are physical and services are not. Then, try to narrow down your definition as best you can. The narrower your definition of the products, the better your understanding of the business.
* **Customers:**As specifically as possible, state who buys the business products. As a first pass, simply determine whether the customers are consumers or organizations. **Consumers** are people buying for themselves or their families. **Organizations** are governments, associations, and companies of all sizes. Then, try to narrow down your definition as best you can. The narrower your definition of the customer, the better your understanding of the business.
* **Industry:**Industry is generally straightforward, but nuances may appear.
* **Form:**Form refers to the way a business is structured, either legally or operationally. Often, the **legal form** of a company is unremarkable. It may simply be a normal incorporated entity like a corporation in the United States, a public limited company in the United Kingdom, or an Aktiengesellschaft in Germany. But sometimes there’s something about a company’s form that must be understood in order for what it does to make sense. **Operational form**, as the title implies, refers to how a business is operationally structured. For example, a company could be a franchisor or a franchisee. It could be a multi-level marketer or vertically integrated.
* **Geography:**Geography has two parts. One is where the company, itself, is located.   The other is where the business’ customers are located.
* **Status:**A company’s status defines its place in the hierarchy of its industry. Is it the clear market leader? One of several leaders? A one-time leader that is losing market share? A startup?