

Common Startup Terms



MARKETING

- **SEO** : search engine optimisation
- **SEM** : search engine marketing
- **CPM** : cost per mille (per thousand impression)
- **CPC** : cost per click
- **CPCV** : cost per completed view
- **CPA** : cost per action
- **CTA** : call to action
- **CTR** : click through rate
- **Publisher** : a website or app who can show ads
- **Reach** : number of unique visitors exposed to an ad
- **CAC** : customer acquisition cost
- **Bounce rate** : percentage of visitors immediately jump to other websites
- **Landing page** : the page on a website where user is taken after clicking on a digital ad.
- **LTV** : life time return per customer
- **Evangelists** : early product users
- **Churn rate** : % of customers stop subscribing to a service
- **UGC** : user generated content

BUSINESS

- **Wantrepreneur** : someone who is going to start
- **Founder** : the first to execute
- **Dragon** : startup raises over \$1 billion in a single round
- **Unicorn** : startup valued over \$1 billion
- **Accelerator** : a timed program for building startups
- **Incubator** : a mentoring and guidance program for entrepreneurs
- **Bootstrapping** : relying on self funding
- **Iteration** : minor changes in the business model
- **Pivot** : major changes in the business model
- **MVP** : minimum viable product
- **Agile** : incremental and iterative developmental methodology
- **SaaS** : software as a service (e.g. google workspace, dropbox, salesforce)
- **PaaS**: Platform as a service (e.g. amazon web service, windows azure)
- **Freemium** : a pricing strategy by which products are free
- **Validation** : proving market need

FINANCE

- **Angel** : early stage investors
- **VC** : venture capital firm for growth startups
- **Seed** : first investment round
- **Crowdfunding** : raising small money from many people
- **Pre money valuation** : value of a startup prior to an investment
- **Post money valuation** : value of a startup upon funding
- **Burn** : rate at which startup spends money
- **Term Sheet** : document outlining the terms of an investment
- **Runway** : time till the operations can be run with the available funds
- **SSA** : share subscription agreement
- **SHA** : share holders agreement
- **ESOP** : employee stock option plan
- **Grant letter** : document issued by a company for granting ESOPs to an employee
- **Vesting** : a clause for earning ESOPs overtime
- **Cliff** : a predetermined period after which ESOPs gradually vest
- **Exit** : merger, acquisition or IPO of a startup

TECH & DESIGN

- **Alpha release** : incomplete product version for internal testing
- **Beta release** : partially complete product for testing and feedback
- **Stack** : list of languages, frameworks, tools and databases
- **Front end** : component of an app for user interaction
- **Back end** : component of an app where codes resides
- **API** : set of requirements for how applications communicate with each other
- **Open source** : code publicly available
- **Framework** : a collection of reusable code
- **UI** : look, feel & interactivity of a product
- **UX** : user experience (navigation of a product)
- **Wireframing** : a visual illustration of product usability
- **SDK** : software development kit
- **Sitemaps** : maps of the pages that make up a website
- **Bugs** : coding mistakes