

Complete MBA Jargon & Lingo

Glossary: 100 Essential Business Terms

Financial & Performance Metrics

1. ROI (Return on Investment)

Definition: A measure of profitability that compares the gain or loss generated on an investment relative to the money invested.

Formula: $ROI = (\text{Net Profit} / \text{Cost of Investment}) \times 100$

Place of Use: Marketing, finance, investment decisions, campaign evaluation. Used to justify marketing spend and determine which channels/campaigns drive the most value.

Example: If a company spends ₹10 lakh on a marketing campaign and generates ₹25 lakh in revenue, the ROI is 150%.

2. KPI (Key Performance Indicator)

Definition: A quantifiable measure used to assess how effectively a company is achieving key business objectives.

Place of Use: Strategic planning, performance management, across all departments (sales, HR, operations). KPIs track progress toward specific business goals.

Types: Revenue growth, customer acquisition cost (CAC), customer retention rate, conversion rate, employee satisfaction.

Example: A sales team's KPI might be "increase revenue by 20% quarterly" or "close 50 deals per month."

3. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)

Definition: A measure of a company's operating profitability excluding financing costs, taxes, and non-cash charges.

Formula: $\text{EBITDA} = \text{Net Income} + \text{Interest} + \text{Taxes} + \text{Depreciation} + \text{Amortization}$

Place of Use: Financial analysis, valuation, comparing companies across industries, M&A evaluation. Used by investors to assess operational performance.

Why It Matters: Removes distortions from capital structure and accounting methods, allowing cleaner comparison of operational efficiency.

4. P&L (Profit and Loss Statement)

Definition: A financial statement summarizing revenues, expenses, and profits/losses over a specific period (monthly, quarterly, annually).

Structure: $\text{Revenue} - \text{Cost of Goods Sold} - \text{Operating Expenses} - \text{Taxes \& Interest} = \text{Net Income (Bottom Line)}$

Place of Use: Financial reporting, management decision-making, investor presentations, quarterly earnings calls.

Key Insight: The P&L shows if a company is generating profit or operating at a loss, making it the "bottom line" for profitability.

5. CAGR (Compound Annual Growth Rate)

Definition: The annualized rate of growth for an investment or metric over multiple years, accounting for compounding.

Formula: $\text{CAGR} = (\text{Ending Value} / \text{Beginning Value})^{(1/\text{Number of Years})} - 1$

Place of Use: Investment analysis, financial forecasting, valuation of companies, comparing growth trajectories.

Example: If a company's revenue grew from ₹10 crore to ₹50 crore over 5 years, the CAGR is approximately 38.4%.

6. Gross Margin

Definition: The percentage of revenue remaining after subtracting cost of goods sold (COGS), representing production efficiency.

Formula: $\text{Gross Margin} = (\text{Revenue} - \text{COGS}) / \text{Revenue} \times 100$

Place of Use: Product profitability analysis, pricing strategy, manufacturing efficiency evaluation.

Insight: Higher gross margins indicate better pricing power and production efficiency.

7. Net Margin

Definition: The percentage of revenue remaining after all expenses (COGS, operating expenses, taxes, interest).

Formula: $\text{Net Margin} = (\text{Net Income} / \text{Revenue}) \times 100$

Place of Use: Overall profitability assessment, company valuation, investor evaluation.

8. Cash Flow

Definition: The movement of cash in and out of a business, essential for assessing liquidity and viability.

Types: Operating cash flow, investing cash flow, financing cash flow.

Place of Use: Financial health assessment, investment decisions, determining if a company can meet obligations.

Why It Matters: A company can be profitable on paper but still fail if cash flow is insufficient.

9. Working Capital

Definition: The difference between current assets and current liabilities, representing short-term financial health.

Formula: Working Capital = Current Assets - Current Liabilities

Place of Use: Liquidity management, assessing ability to meet short-term obligations, operational efficiency.

10. Break-Even Point

Definition: The sales level at which total revenue equals total costs, resulting in zero profit or loss.

Place of Use: Business planning, pricing strategy, feasibility analysis of new products/ventures.

11. Burn Rate

Definition: The rate at which a company spends its cash reserves, particularly relevant for startups.

Place of Use: Startup funding, cash management, determining runway (how long a company can operate before needing more funding).

Example: A startup with ₹1 crore in reserves burning ₹20 lakhs monthly has a burn rate of ₹20 lakhs/month.

12. Runway

Definition: The length of time a company can continue operating with current cash reserves based on burn rate.

Formula: Runway (months) = Current Cash / Monthly Burn Rate

Place of Use: Startup survival planning, fundraising timelines, cash flow forecasting.

13. Operating Leverage

Definition: The degree to which a company's operating costs are fixed versus variable, affecting profitability at different revenue levels.

Place of Use: Cost structure analysis, pricing decisions, understanding sensitivity to revenue changes.

Insight: High operating leverage means small revenue increases lead to large profit increases.

14. NPV (Net Present Value)

Definition: The present value of future cash flows discounted at a rate of return, used to evaluate investment attractiveness.

Formula: $NPV = \sum (Cash\ Flow / (1 + Discount\ Rate)^n)$

Place of Use: Capital budgeting, project evaluation, investment decisions, M&A analysis.

Interpretation: Positive NPV = good investment; negative NPV = investment should be rejected.

15. IRR (Internal Rate of Return)

Definition: The discount rate that makes NPV equal to zero, representing the annualized return of an investment.

Place of Use: Investment evaluation, comparing investment projects, venture capital and private equity analysis.

Insight: Higher IRR indicates more attractive investment; often compared against cost of capital.

Business Models & Market Strategy

16. B2B (Business-to-Business)

Definition: Commercial transactions between businesses rather than with consumers.

Characteristics: Longer sales cycles, multiple decision-makers, focus on long-term value, typically higher transaction values.

Place of Use: Enterprise software, manufacturing, wholesale, consulting.

Example: NVIDIA selling GPUs to Dell for computer manufacturing.

17. B2C (Business-to-Consumer)

Definition: Commercial transactions between a business and individual consumers.

Characteristics: Shorter sales cycles, emotion-driven decisions, mass marketing, lower per-transaction values.

Place of Use: Retail, e-commerce, consumer apps, restaurants.

Example: Nike selling shoes directly to customers through stores or online.

18. TAM (Total Addressable Market)

Definition: The total revenue opportunity available for a product or service in a market.

Place of Use: Business planning, investor pitches, growth strategy, market opportunity assessment.

Significance: Large TAM attracts investor interest; small TAM may limit growth potential.

19. SAM (Serviceable Available Market)

Definition: The portion of TAM that a company can realistically capture with its business model and geographic reach.

Place of Use: Market segmentation, realistic growth planning.

Relationship: SAM < TAM (always), representing a more achievable market segment.

20. SOM (Serviceable Obtainable Market)

Definition: The realistic market share a company can capture within the next 3-5 years based on competition and resources.

Place of Use: Conservative business planning, investor credibility.

Relationship: SOM < SAM < TAM (the narrowest target).

21. USP (Unique Selling Proposition)

Definition: The distinct benefit or feature that differentiates a product/service from competitors.

Place of Use: Marketing positioning, brand strategy, competitive differentiation.

Example: "Only company with 24/7 customer support" or "Fastest delivery time in the industry."

22. Value Proposition

Definition: The specific benefits and value a company delivers to customers.

Place of Use: Marketing messaging, product positioning, customer communication.

Difference from USP: Broader than USP; can include multiple value drivers (quality, price, service).

23. CRM (Customer Relationship Management)

Definition: Integrated technology and processes to manage and analyze customer interactions throughout their lifecycle.

Functions: Sales pipeline management, customer data consolidation, interaction tracking, automation.

Place of Use: Sales teams, customer service, marketing, customer retention strategy.

Tools: Salesforce, HubSpot, Microsoft Dynamics.

24. SEO (Search Engine Optimization)

Definition: The practice of optimizing websites to rank higher in search engine results pages (SERPs) organically.

Techniques: Keyword optimization, content creation, link building, technical improvements.

Place of Use: Digital marketing, content strategy, organic traffic generation.

ROI Advantage: Cost-effective long-term traffic source compared to paid advertising.

25. MVP (Minimum Viable Product)

Definition: A version of a product with just enough features to satisfy early customers and gather feedback.

Purpose: Test business hypotheses, validate market demand, minimize development costs.

Place of Use: Lean Startup methodology, new product development, startup launch.

Characteristics: Affordable, solves core problem, adaptable, simple enough to build quickly.

Growth & Strategic Concepts

26. Market Penetration

Definition: Increasing market share within an existing market with existing products.

Strategies: Competitive pricing, aggressive marketing, improved distribution, product bundling.

Place of Use: Growth planning, mature market strategy.

27. Diversification

Definition: Expanding into new markets or developing new products to reduce business risk.

Types: Related diversification (leveraging existing competencies) vs. unrelated diversification.

Place of Use: Long-term growth strategy, portfolio management, risk mitigation.

Example: Amazon expanding from books to cloud computing (AWS) to entertainment.

28. Blue Ocean Strategy

Definition: Creating uncontested market space (blue ocean) rather than competing in existing, saturated markets (red ocean).

Key Idea: Differentiate and create new demand rather than beat competitors in existing markets.

Place of Use: Strategic planning, competitive positioning, innovation strategy.

Example: Netflix creating streaming market (blue ocean) vs. competing with Blockbuster's rental stores (red ocean).

29. Red Ocean Strategy

Definition: Competing in existing markets with known competitors using traditional competition tactics.

Characteristics: Price wars, market share battles, commoditization.

Place of Use: Mature industries, commodity markets.

Challenge: Lower margins, higher competition, less differentiation.

30. Growth Hacking

Definition: Rapid, unconventional, low-cost strategies to acquire and retain customers.

Techniques: Viral loops, referral programs, data-driven experimentation, content marketing.

Place of Use: Startups, tech companies, rapid growth phases.

Focus: Speed and creativity over budget; testing numerous low-cost tactics.

31. Disruption

Definition: Business innovation that fundamentally changes or displaces existing markets and competitors.

Characteristics: Introduces new value proposition, often lower cost, initially lower quality.

Place of Use: Strategic planning, competitive threat analysis.

Example: Smartphones disrupting traditional camera, GPS, and communication industries.

32. Disruptive Innovation

Definition: Innovation that creates a new market and value network, displacing incumbents.

Place of Use: Long-term strategic planning, identifying growth opportunities.

Difference from Sustaining Innovation: Disruptive innovation often sacrifices performance in favor of new value dimensions.

33. Pivot

Definition: Significant change in business strategy, target market, or product while preserving core competencies.

Place of Use: Startup adaptation, responding to market feedback, course correction.

Example: Instagram pivoting from location check-in app (Burbn) to photo-sharing platform.

34. Scalability

Definition: The ability of a business to grow efficiently without proportional increases in costs.

Place of Use: Business model evaluation, software/SaaS businesses, venture capital assessment.

Characteristics: Minimal marginal costs, leveraging technology, repeatable processes.

35. Economies of Scale

Definition: Cost advantages gained when production increases, reducing per-unit costs.

Place of Use: Manufacturing, supply chain optimization, pricing strategy.

Example: Buying raw materials in bulk at discounted rates; spreading fixed costs over more units.

36. Vertical Integration

Definition: Expanding operations to include supply chain stages (backward) or distribution (forward).

Place of Use: Supply chain strategy, cost reduction, quality control, competitive advantage.

Example: Tesla manufacturing its own batteries (backward integration).

37. Horizontal Integration

Definition: Combining with competitors or similar companies to consolidate market position.

Place of Use: Consolidation strategy, market power, efficiency gains.

Example: Facebook acquiring Instagram and WhatsApp.

38. Core Competency

Definition: A fundamental strength or capability that differentiates a company and creates competitive advantage.

Place of Use: Strategic focus, outsourcing decisions, capability development.

Importance: Companies should focus on core competencies and outsource non-core activities.

39. Core Values

Definition: The fundamental principles and beliefs that guide a company's culture and decision-making.

Place of Use: Organizational culture, employee recruitment, brand positioning.

Example: Google's "Don't be evil," Apple's "Think Different," Patagonia's environmental commitment.

40. Synergy

Definition: Additional value created when two companies combine, resulting in benefits exceeding the sum of individual parts.

Types: Revenue synergy (increased sales), cost synergy (reduced expenses), financial synergy.

Place of Use: M&A valuation, justifying acquisition price.

Challenge: Many mergers fail to realize projected synergies.

41. Due Diligence

Definition: Comprehensive investigation and analysis of a company before acquisition or major investment.

Areas Examined: Financial statements, legal contracts, operational efficiency, market position, risks.

Place of Use: M&A transactions, major investments, partnerships.

Importance: Identifies hidden liabilities and validates assumptions before committing capital.

42. M&A (Mergers and Acquisitions)

Definition: Combining two companies (merger) or one company purchasing another (acquisition).

Distinction: Merger = equal combination; Acquisition = purchase of one by another.

Place of Use: Corporate growth strategy, consolidation, competitive positioning, diversification.

Motivation: Growth, cost reduction, market share, entering new markets.

43. Exit Strategy

Definition: Plan for an investor to achieve returns by selling their ownership stake.

Types: IPO, acquisition, secondary sale, buyback, liquidation.

Place of Use: Venture capital, private equity, startup planning.

Timeline: Early consideration in investment decisions.

44. IPO (Initial Public Offering)

Definition: Process where a private company becomes public by issuing stocks to the public.

Purpose: Raise capital, provide liquidity to shareholders, enable future fundraising.

Place of Use: Growth finance, exit strategy, public market access.

Requirement: Compliance with regulatory requirements, extensive disclosure obligations.

45. VC (Venture Capital)

Definition: Funding provided to early-stage, high-growth potential companies in exchange for equity ownership.

Characteristics: High risk, high return expectation, active involvement in company strategy.

Place of Use: Startup funding, scaling phase financing.

Typical Investors: Venture capital firms, angel investors, institutions.

46. PE (Private Equity)

Definition: Investment in private companies, often involving leveraged buyouts and operational improvements.

Characteristics: Control-oriented, focus on operational efficiency and financial optimization.

Place of Use: Mature company acquisition, operational turnarounds, portfolio company management.

Exit: Usually 5-7 years through sale or IPO.

47. Angel Investor

Definition: Wealthy individual providing capital to early-stage startups in exchange for equity.

Characteristics: Often mentor-like role, flexible terms, industry expertise.

Place of Use: Pre-seed and seed-stage funding.

Motivation: Both financial return and mentorship satisfaction.

48. Cap Table (Capitalization Table)

Definition: Document showing ownership structure and equity distribution among shareholders.

Contents: Founder shares, investor stakes, employee options, vesting schedules.

Place of Use: Startup operations, funding rounds, equity discussions.

Importance: Clarity prevents future disputes over ownership.

49. Run Rate

Definition: Annualized financial metric based on recent financial performance.

Formula: $\text{Run Rate} = \text{Last Quarter Revenue} \times 4$

Place of Use: Startup valuation, quick financial assessment, projections.

Limitation: Assumes recent performance continues, doesn't account for seasonality.

50. Churn Rate

Definition: Percentage of customers lost during a specific period.

Formula: $\text{Churn Rate} = (\text{Customers Lost} / \text{Starting Customers}) \times 100$

Place of Use: SaaS metrics, subscription business health, customer retention strategy.

Impact: High churn requires more customer acquisition just to maintain current size.

51. Bootstrapping

Definition: Building and growing a company using internal resources and revenue rather than external funding.

Sources: Founder savings, customer revenue, sweat equity.

Place of Use: Early-stage startups, owner-operated businesses.

Advantages: Maintains control, slower growth but sustainable.

52. Leverage

Definition: Use of borrowed capital to increase potential returns or expand operations.

Financial Leverage: Borrowing to invest; increases returns but increases risk.

Place of Use: Capital structure decisions, acquisition financing, growth acceleration.

Risk: Increases financial obligation and bankruptcy risk.

Organizational & Operational Concepts

53. OKR (Objectives and Key Results)

Definition: Goal-setting framework where objectives define what to achieve, key results measure progress.

Structure: 3-5 objectives; 3-4 key results per objective; typically quarterly or annual.

Place of Use: Strategic planning, employee alignment, performance management.

Advantage: Clarity on priorities across organization; better than traditional goal-setting.

54. Agile

Definition: Iterative project management approach emphasizing flexibility, customer feedback, and continuous improvement.

Principles: Adaptive planning, iterative development, regular feedback, responding to change.

Place of Use: Software development, product management, organizational transformation.

Advantage: Faster time-to-market, better quality through continuous testing.

55. Scrum

Definition: Framework within Agile for managing team projects through sprints (typically 2-week iterations).

Key Elements: Sprint planning, daily standups, sprint reviews, retrospectives.

Place of Use: Software development, cross-functional projects.

Roles: Product Owner, Scrum Master, Development Team.

56. Waterfall

Definition: Linear project management approach where each phase must be completed before the next begins.

Phases: Requirements → Design → Implementation → Testing → Deployment.

Place of Use: Construction, manufacturing, projects with fixed requirements.

Limitation: Inflexible; difficult to accommodate changes mid-project.

57. Lean Startup

Definition: Methodology emphasizing rapid experimentation, minimum viable products, and validated learning.

Key Principle: Build → Measure → Learn cycle; fail fast and iterate.

Place of Use: Startup development, new product launches, uncertain market conditions.

Advantage: Reduces waste, accelerates learning, minimizes capital requirements.

58. Six Sigma

Definition: Methodology for process improvement focusing on reducing variability and defects.

Goal: Achieve 99.99966% accuracy (3.4 defects per million).

Place of Use: Manufacturing, operations, quality improvement.

Tools: DMAIC (Define, Measure, Analyze, Improve, Control).

59. Kaizen

Definition: Japanese continuous improvement philosophy involving incremental, ongoing enhancements.

Approach: All employees contribute ideas; small improvements compound over time.

Place of Use: Manufacturing, operations, organizational culture.

Advantage: Sustainable, engages all employees, low-cost improvements.

60. Change Management

Definition: Process of guiding organizational transformation, managing resistance, and ensuring adoption.

Focus: Human and organizational aspects of change (beyond technical implementation).

Place of Use: Merger integration, digital transformation, organizational restructuring.

Importance: Most change initiatives fail due to poor change management, not technical issues.

61. Talent Acquisition

Definition: Process of identifying, recruiting, and hiring qualified candidates for job openings.

Distinction from Recruiting: Broader function including planning, employer branding, candidate experience.

Place of Use: HR strategy, organizational growth, competitive advantage.

Modern Approach: Data-driven hiring, employer branding, candidate experience optimization.

62. Succession Planning

Definition: Process of identifying and developing internal candidates to fill leadership roles.

Purpose: Ensure continuity, develop talent, reduce key-person risk.

Place of Use: Executive development, retention strategy, organizational resilience.

Importance: Critical for family businesses and institutions dependent on leadership.

Strategic & Analytical Frameworks

63. SWOT Analysis

Definition: Framework evaluating Strengths, Weaknesses, Opportunities, and Threats.

Components:

- **Strengths:** Internal competitive advantages
- **Weaknesses:** Internal limitations
- **Opportunities:** External positive factors
- **Threats:** External negative factors

Place of Use: Strategic planning, competitive analysis, business planning.

Output: Actionable strategies leveraging strengths, addressing weaknesses, capitalizing on opportunities, mitigating threats.

64. Mission Statement

Definition: Concise description of an organization's purpose and fundamental reason for existence.

Purpose: Guide decision-making, inspire employees, communicate organizational purpose.

Example: "To provide affordable, accessible healthcare globally."

Place of Use: Organizational founding, strategic direction, employee alignment.

65. Vision Statement

Definition: Aspirational description of what organization aims to achieve in the future.

Characteristics: Ambitious, inspiring, achievable but challenging.

Example: "To be the world's most customer-centric company."

Place of Use: Long-term strategic planning, employee inspiration, organizational alignment.

66. Benchmarking

Definition: Comparing company performance against competitors or industry standards.

Types: Competitive benchmarking, internal benchmarking, functional benchmarking.

Place of Use: Performance evaluation, identifying improvement opportunities, competitive positioning.

Insight: Identifies performance gaps and best practices.

67. Thought Leadership

Definition: Establishing expertise and influence in an industry through content, speaking, and insights.

Tactics: Articles, speaking engagements, research, opinion pieces, conferences.

Place of Use: Brand building, executive positioning, market influence.

Benefit: Credibility, media attention, business development opportunities.

68. Cost-Benefit Analysis

Definition: Comparing projected benefits against costs to evaluate investment or decision attractiveness.

Process: Quantify all benefits; quantify all costs; compare; make decision.

Place of Use: Investment decisions, project evaluation, policy decisions.

Outcome: Projects with positive cost-benefit ratios should be pursued.

69. Risk Management

Definition: Process of identifying, analyzing, and mitigating risks that could impact business objectives.

Steps: Identify risks → Analyze probability/impact → Develop mitigation strategies → Monitor.

Place of Use: Strategic planning, operations, compliance, investments.

Categories: Operational, financial, strategic, compliance, reputational risks.

Business Jargon & Colloquialisms

70. Low-Hanging Fruit

Definition: Easily achievable opportunities or improvements that require minimal effort.

Place of Use: Strategy discussions, identifying quick wins.

Context: "Let's focus on low-hanging fruit first before tackling harder initiatives."

71. Quick Win

Definition: Small, achievable success that builds momentum and demonstrates progress.

Place of Use: Project management, change management, motivation.

Strategic Use: Building credibility before tackling larger, more complex initiatives.

72. Deep Dive

Definition: Thorough, detailed investigation or analysis of a topic.

Place of Use: Problem-solving, analysis, meetings, presentations.

Context: "We need to do a deep dive into the Q3 sales decline."

73. Drill Down

Definition: Examining details, moving from high-level overview to granular information.

Place of Use: Data analysis, presentations, decision-making.

Context: "Let's drill down into the regional sales data."

74. Circle Back

Definition: Return to a topic later or follow up on a previous discussion.

Place of Use: Meetings, action items, deferred decisions.

Context: "That's a great question; let's circle back to it next week."

75. Touch Base

Definition: Brief communication to check in or maintain connection.

Place of Use: Team management, client relationships, regular check-ins.

Context: "Let's touch base next Tuesday about project progress."

76. Move the Needle

Definition: Make significant progress or meaningful impact on a metric.

Place of Use: Performance discussions, goal setting, measurement.

Context: "We need initiatives that will really move the needle on customer retention."

77. Win-Win

Definition: Outcome where all parties benefit.

Place of Use: Negotiations, partnerships, deal-making.

Context: "This partnership is win-win for both companies."

78. Pain Point

Definition: Problem or difficulty that customers or stakeholders experience.

Place of Use: Product development, sales, customer research.

Importance: Identifying pain points guides product development and marketing messaging.

79. Stakeholder

Definition: Individual or group with interest in or affected by business decisions.

Types: Shareholders, employees, customers, suppliers, regulators, community.

Place of Use: Strategic planning, decision-making, communication.

Consideration: Different stakeholders have different priorities; management requires balancing.

80. End-to-End

Definition: Covering entire process from beginning to final outcome.

Place of Use: Process improvement, customer journey, solution description.

Context: "We provide end-to-end supply chain solutions."

81. Holistic Approach

Definition: Considering entire system rather than individual components in isolation.

Place of Use: Strategic planning, problem-solving, organizational change.

Benefit: Avoids unintended consequences and identifies system-wide optimizations.

82. Out of the Box

Definition: Creative, unconventional thinking beyond normal constraints.

Place of Use: Innovation, brainstorming, problem-solving.

Context: "We need out-of-the-box solutions to compete."

83. Paradigm Shift

Definition: Fundamental change in approach, thinking, or understanding.

Place of Use: Strategic planning, industry disruption, organizational transformation.

Example: Shift from product-centric to customer-centric business model.

84. Best Practices

Definition: Proven methods and approaches that deliver superior results.

Place of Use: Process improvement, training, standard-setting.

Benefit: Faster improvement by learning from others' success.

85. Bandwidth

Definition: Available capacity, time, or resources to take on additional work.

Place of Use: Team management, project prioritization, workload assessment.

Context: "I don't have bandwidth for another project right now."

86. Boil the Ocean

Definition: Attempting overly ambitious or unnecessarily complex solution.

Place of Use: Project planning, criticism of overengineering.

Context: "Don't boil the ocean; let's start with a simpler approach."

87. On the Same Page

Definition: Shared understanding and alignment on goals, expectations, or decisions.

Place of Use: Team management, stakeholder communication, conflict resolution.

Context: "Before we proceed, let's make sure everyone's on the same page."

88. Push the Envelope

Definition: Extend boundaries or test limits; go beyond current capabilities.

Place of Use: Innovation, competitive strategy, challenging status quo.

Context: "We need to push the envelope in customer service."

89. Raise the Bar

Definition: Increase standards or expectations; improve performance benchmarks.

Place of Use: Organizational culture, performance management, quality standards.

Context: "Our competitors just raised the bar on product quality."

90. Strategic Fit

Definition: Alignment between acquisition/partnership and acquiring company's strategy.

Place of Use: M&A decisions, partnership evaluation, investment decisions.

Importance: Strategic fit determines success more than financial metrics alone.

Investment & Valuation

91. Moonshot

Definition: Ambitious, high-risk project with potential for breakthrough success.

Characteristics: Low probability of success, high potential impact if successful.

Place of Use: R&D, innovation, venture capital.

Example: Self-driving cars, space travel, renewable energy breakthroughs.

92. Unicorn

Definition: Private startup company valued at \$1 billion or more.

Significance: Rare achievement; indicates exceptional growth and market opportunity.

Place of Use: Venture capital, startup ecosystem, investor discussions.

Notable Examples: Uber, Airbnb, Stripe, Figma (before IPO).

93. Decacorn

Definition: Private startup company valued at \$10 billion or more.

Rarity: Even rarer than unicorns; indicates exceptional market dominance.

Place of Use: Advanced venture capital, mega-rounds discussions.

Example: SpaceX, ByteDance (TikTok), Canva.

94. Disintermediation

Definition: Eliminating intermediaries between producers and consumers.

Impact: Typically reduces costs, improves efficiency, disrupts existing distribution channels.

Place of Use: Business model innovation, digital transformation.

Example: Online booking eliminating travel agencies; direct-to-consumer brands bypassing retailers.

95. Cash Cow

Definition: Established business unit generating consistent, reliable cash flow with low growth requirements.

BCG Matrix: Product with high market share in low-growth market.

Place of Use: Portfolio management, funding allocation strategy.

Strategic Role: Cash from cows finances investment in growth businesses.

96. Star (BCG Matrix)

Definition: Product with high market share in high-growth market.

Characteristics: Requires investment to maintain position; potential future cash cow.

Place of Use: Portfolio management, resource allocation.

Strategic Action: Invest to maintain market share.

97. Question Mark (BCG Matrix)

Definition: Product with low market share in high-growth market.

Characteristics: Uncertain future; requires investment and strategic decisions.

Place of Use: Portfolio assessment, resource allocation decisions.

Strategic Actions: Invest aggressively or divest.

98. Dog (BCG Matrix)

Definition: Product with low market share in low-growth market.

Characteristics: Low cash generation, limited prospects.

Place of Use: Portfolio management, divestment decisions.

Strategic Action: Harvest or divest.

Additional Critical Concepts

99. Ebitda Margin

Definition: EBITDA expressed as percentage of revenue; shows operational profitability.

Formula: $\text{EBITDA Margin} = (\text{EBITDA} / \text{Revenue}) \times 100$

Place of Use: Operational efficiency comparison, company valuation, financial health.

Interpretation: Higher margins indicate better operational efficiency and pricing power.

100. Disruptive Innovation

Definition: Innovation that creates new market and value network, displacing existing market leaders.

Characteristics: Initially lower performance, eventually superior value proposition.

Place of Use: Long-term strategic planning, competitive threat analysis.

Famous Examples: Smartphones disrupting cameras, Netflix disrupting Blockbuster, Airbnb disrupting hotels.

Quick Reference: Where These Terms Are Used

| Domain | Key Terms |
|----------------------|--------------------------------------------------------------------------------|
| Finance & Accounting | ROI, EBITDA, P&L, Cash Flow, Gross/Net Margin, Break-Even, NPV, IRR |
| Strategy & Planning | SWOT, Mission/Vision, OKR, Blue/Red Ocean, Diversification, Market Penetration |
| Startup/Growth | MVP, Bootstrapping, Burn Rate, Runway, Growth Hacking, Lean Startup, Pivot |
| M&A & Investment | Due Diligence, M&A, IPO, VC, PE, Cap Table, Exit Strategy, Synergy |

| Domain | Key Terms |
|-----------------------|--------------------------------------------------------------------------------------|
| Operations & Projects | Agile, Scrum, Waterfall, Six Sigma, Kaizen, Change Management, Risk Management |
| Sales & Marketing | B2B, B2C, CRM, SEO, USP, Value Proposition, TAM/SAM/SOM, Thought Leadership |
| General Business | KPI, Stakeholder, Leverage, Benchmarking, Cost-Benefit Analysis, Pain Point |
| Colloquialisms | Low-Hanging Fruit, Quick Win, Deep Dive, Paradigm Shift, Touch Base, Move the Needle |

Study Tips for MBA Preparation

1. **Understand context:** Don't just memorize definitions; understand when and why each term is used.
2. **Create examples:** For each term, think of real-world applications and company examples.
3. **Build relationships:** Understand how these terms connect (e.g., ROI relates to CAGR relates to valuation).
4. **Practice in case studies:** Apply these terms to real business scenarios during case interviews.
5. **Daily usage:** Start incorporating these terms into professional communication naturally.
6. **Priority focus:** For CAT/banking exams, prioritize financial metrics and frameworks (ROI, EBITDA, SWOT, M&A, IPO).
7. **Interview preparation:** Be ready to explain these terms concisely and relate them to your experience.

This glossary covers 100 essential MBA and business terms. Consistent review and practical application will embed these concepts into professional vocabulary, essential for MBA programs, competitive exams, and corporate environments.