

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

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: 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: 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: 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

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