

Entrepreneurial Skills
ENT 211

When making the leap into the world of entrepreneurship, you'll need to familiarize yourself with all the terms of entrepreneurship—the vocabulary, acronyms, and slang used by fellow entrepreneurs you'll be meeting and working with.

Here's a list of terms from the world of entrepreneurship:

Acquisition

- Taking ownership of another business. Frequently used in conjunction with the word merger, as in mergers and acquisitions or M&As.

Advertising

- The activity of attracting public attention to a product or business, as by paid announcements in the print, broadcast, or electronic media. Not to be confused with marketing or public relations. See AMIC.com for an extensive glossary of advertising terms.

Angel Investors

- Individuals who back emerging entrepreneurial ventures, usually as a bridge to get from the self-funded stage to the level of business that would both need and attract venture capital. Funding level ranges anywhere from \$50,000 to \$2 million. See [Angel Investor News](#).

Appraisal

- A formal estimate of the value of something on the open market. It also describes how the estimation and conclusion of value was made.

Barter

- Direct exchange of merchandise and/or services between businesses. See the [International Reciprocal Trade Association](#).

Entrepreneurial Skills
ENT 211

Business Incubator

- Provides workspace, coaching, and support services to entrepreneurs and early-stage businesses.

Business Valuation

- An estimate of the worth of a business entity and its assets.

Consumer Direct Marketing

- A form of Network Marketing in which the distributors are all also consumers, i.e., they must also buy the product for their personal use.

Copyright

- Copyright is a form of protection for published and unpublished literary, scientific and artistic works that have been fixed in a tangible or material form. See WhatIsCopyright.org.

Corporation

- A body that is granted a charter recognizing it as a separate legal entity having its own rights, privileges, and liabilities distinct from those of its members. The primary advantage of a corporation is that shield its investors from personal liability for any losses the corporation may experience.

Downline

- In a Multi-Level Marketing business, the collection of all people signed up underneath an individual on which the individual receives payment on their sales.

Due Diligence

Entrepreneurial Skills
ENT 211

- The inquiry process of obtaining sufficient and accurate disclosure of all material documents and other information which may influence the outcome of the transaction.

Entrepreneur

- A person who organizes, operates, and assumes the risk for a business venture.

General Partnership

- An [organizational structure](#) in which each [general partner shares](#) in the administration, profits and losses of the operation.

Home Based Business

- A home based business is a business whose primary office is in the owner's home. The business can be any size or any type as long as the office itself is located in a home.

Independent Contractor

- One who practices an independent trade, business, or profession in which they offer their services to the public. The person contracting for their services must have the right to control or direct only the result of the work and not the means and methods of accomplishing the result. See [IRS Publication 1796](#).

Intrapreneur

- An intrapreneur is one who takes on entrepreneur-like ventures within a large corporate environment.

Joint Venture

Entrepreneurial Skills
ENT 211

- A legal entity created by two or more businesses joining together to conduct a specific business enterprise with both parties [sharing profits](#) and losses. It differs from a strategic alliance in that there is a specific legal entity created.

Limited Liability Company (LLC)

- A legal entity that is not taxable itself and distributes the profits to its owners, but shields personal assets from business debt like a corporation.

Limited Partnership

- A business arrangement in which the day-to-day operations are controlled by one or more general partners and funded by limited or silent partners who are legally responsible for losses based on the amount of their investment.

Line of Credit

- Similar to [a business loan](#), except that the borrower only pays interest on the amount actually used. Much like a credit card, the business makes periodic payments against the outstanding balance.

Marketing

- The process of researching, promoting, selling and distributing a product or service. Marketing covers a broad range of practices, including [advertising](#), publicity, promotion, pricing, and overall packaging of the goods or services.

Merger

- A joining together of two previously separate [corporations](#). A true merger in the legal sense occurs when both businesses dissolve and move their assets and liabilities into a newly created entity.

Multi-level Marketing (MLM)

- Any business in which a person receives proceeds not only from their own sales, but from the sales made by people they have signed up, and potentially people those people have signed up, and so on.

Network Marketing

- A business in which a distributor network is needed to build the business. Usually, such businesses are also MLM (see above).

Networking

- Developing business contacts to form business relationships, increase your knowledge, expand your business base, or serve the community. Also used to describe linking computers systems together.

Outsourcing

- Purchasing standard operational services from another business. [Outsourced](#) services typically including [accounting](#), payroll, IT, advertising, and more. See [Top 10 Tips for Outsourcing Success](#).

Partnership

- A business form in which two or more individuals who carry on a continuing business for profit. A partnership is legally regarded as a group of individuals rather than as a single entity, and each of the partners file their share of the profits on their individual tax returns.

Entrepreneurial Skills
ENT 211

Patent

- A property right granted to an inventor to exclude others from making, using, offering for sale, or selling the invention for a limited time in exchange for public disclosure of the invention when the patent is granted.

Planning

- A detailed method, formulated beforehand, for managing a business.

Public Relations (PR)

- The deliberate promotion of a specific image for a business. Often confused with publicity which is simply the materials used in a specific part of a public relations effort.

Sales

- The exchange of a product or service for money. Also refers to the profession of that activity or a department within a company that performs that activity.

SCORE

- Service Corps of Retired Executives; they provide counseling advice for small businesses. See www.score.org. Small Business Just what exactly constitutes "small"? There actually is an official definition, but it varies widely from industry to industry. See the SBA's official sizing standards.

Small Business Administration (SBA)

- The United States Government Agency charged with "providing customer-oriented, full-service programs and accurate, timely

Entrepreneurial Skills
ENT 211

information to the entrepreneurial community".

See www.sba.gov.

Sole Proprietorship

- A business owned and operated by one person.

Strategic Alliance

- An ongoing relationship between two businesses in which they combine efforts for a specific purpose.

Trademark

- A form of legal protection for words, names, symbols, sounds, or colors that distinguish goods and services. Trademarks, unlike patents, can be renewed forever as long as they are being used in business.

Venture Capital (VC)

- A form of financing for a company in which the business gives up partial ownership and control of the business in exchange for capital over a limited time frame, usually 3-5 years. Investments typically range from \$500,000 to \$5 million., although there are occasionally VC investments for as low as \$50,000 or as high as \$20 million.