A resource with economic value that is bought or created to increase the value of a company or benefit the company’s operations.

A statement that is presumed to be true without concrete evidence. Assumptions are used to enable companies to plan and make decisions in the face of uncertainty. For example: “I assume minimum wage won’t rise to $15 an hour; if it does my business couldn’t stay operational.”

A financial statement that compares a company’s assets to its liabilities and shareholders’ equity.

A financial statement that shows how changes in the balance sheet and income statement affect cash and cash equivalents.

A 1–2-page document that briefly summarizes the business plan. It does this in a way that readers can rapidly become acquainted with the business plan without having to read the entire document.

An analysis framework that identifies an organization’s internal capabilities (strengths and weaknesses) and the external factors (opportunities and threats) that could affect the company’s performance.

A presentation used to explain the business plan to investors, lenders, and to internal stakeholders. It usually includes a request for a specific investment, loan, or resource to grow the business.

A small business is an independent business with fewer than 500 employees.

A strategic document that describes how the company will position itself in the market and the process by which it will identify, assess, and respond to market opportunities.

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The process of generating and forming ideas.

Money, either equity or debt, available to a company.

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A 7–10 page document that explains the management of a company’s intentions over the next several years. It includes explanations of strategy, tactics, the overall market, and the product or service sold by the company. “Lean” is adapted from the idea of The Lean Startup bestseller and means a more concise and precise version of more traditional business plans.

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The direct costs attributable to the production of the goods sold by a company. This amount includes the cost of the materials used in creating the good along with the direct labor costs used to produce the good. It excludes indirect expenses such as distribution costs and sales force costs.

The combined expenses and cost of goods sold. They represent all expenses associated with inventory. They include line items like rent, utilities, and more.

The direct costs attributable to the production of the goods sold by a company. This amount includes the cost of the materials used in creating the good along with the direct labor costs used to produce the good. It excludes indirect expenses such as distribution costs and sales force costs.

A financial statement that shows revenue, gains, expenses, losses, net income, and other totals for a specified period of time.

An adaptation of the popular Business Model Canvas created in The Lean Startup spirit (popularized by Eric Ries’s bestseller). It promises an actionable and entrepreneur-focused business plan on a single page. It focuses on problems, solutions, key metrics, and competitive advantages.

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