The words, without the fog.

59 terms you will meet while starting something, each in a single sentence.

Accounts payable MONEY
Money your business owes to suppliers and has not yet paid.

Accounts receivable MONEY
Money customers owe you for work already delivered but not yet paid for.

Accrual accounting MONEY
Recording income and costs when they are earned or incurred, rather than when cash moves.

Angel investor FUNDING
An individual who invests their own money into an early business, usually for equity.

Articles of organization LEGAL
The document filed with a state to formally create an LLC.

Bootstrapping FUNDING
Funding a business from revenue and personal savings instead of outside investment.

Breakeven point MONEY
The level of sales at which total revenue equals total costs, so profit is zero.

Burn rate MONEY
How much cash a business spends in a month beyond what it brings in.

Business plan PLANNING
A written description of what a business does, who it serves, how it makes money, and what it needs.

CAC METRICS
Customer acquisition cost. What it costs on average to win one new customer.

Cap table FUNDING
A record of who owns what percentage of a company, including investors and option holders.

Cash flow MONEY
The movement of money in and out of a business over a period, separate from whether it is profitable.

Churn rate METRICS
The percentage of customers or subscribers who stop buying within a period.

COGS MONEY
Cost of goods sold. The direct cost of producing what you sell, excluding overheads.

Convertible note FUNDING
A loan from an investor that converts into equity later, usually at the next funding round.

Corporation LEGAL
A business structure that exists as a separate legal entity from its owners, with its own tax treatment.

DBA LEGAL
Doing business as. A registered trading name that differs from the legal name of the business.

Dilution FUNDING
The reduction in an existing owner's percentage when new shares are issued.

Doing business as LEGAL
See DBA. A registered trading name that differs from the legal name of the business.

Due diligence FUNDING
The investigation an investor or buyer runs on a business before committing money.

EIN LEGAL
Employer identification number. A federal tax ID for a business, issued by the IRS.

Equity FUNDING
Ownership in a business, usually expressed as a percentage or a number of shares.

Fixed costs MONEY
Costs that stay the same regardless of how much you sell, such as rent or software subscriptions.

Fulfillment OPERATIONS
Everything involved in getting a paid order to the customer.

Gross margin MONEY
Revenue minus the direct cost of delivering it, shown as a percentage of revenue.

Independent contractor OPERATIONS
Someone who does paid work for a business without being an employee of it.

Intellectual property LEGAL
Creations a business can own or protect, including names, logos, writing, designs and inventions.

Invoice MONEY
A document requesting payment, listing what was delivered, the amount owed and the due date.

Lead SALES
A person or business that has shown some interest and might become a customer.

Lean startup PLANNING
An approach built on releasing something small, learning from real customers, then adjusting.

LLC LEGAL
Limited liability company. A structure that separates personal assets from business liabilities.

LTV METRICS
Lifetime value. The total revenue you expect from one customer across the whole relationship.

Margin MONEY
What is left from revenue after costs, usually expressed as a percentage.

Market research PLANNING
Gathering information about the people you want to sell to and who else already sells to them.

MRR METRICS
Monthly recurring revenue. Predictable revenue that repeats each month, as in a subscription.

MVP PLANNING
Minimum viable product. The smallest version of an idea that a real customer can actually use.

Net profit MONEY
What is left after every cost, including tax and overheads, is subtracted from revenue.

Operating expenses MONEY
The ongoing costs of running a business that are not tied directly to producing what you sell.

Overhead MONEY
Ongoing costs that keep the business open regardless of sales volume.

Pass-through taxation LEGAL
When business profits are taxed on the owner's personal return rather than at the company level.

Pivot PLANNING
A deliberate change of direction in product, market or model, based on what you have learned.

Positioning MARKETING
The specific place your offer occupies in a customer's mind relative to the alternatives.

Product market fit PLANNING
The point at which a product clearly satisfies strong demand in a defined market.

Profit and loss statement MONEY
A summary of revenue, costs and profit across a period. Often shortened to P and L.

Registered agent LEGAL
A person or service designated to receive legal documents on behalf of a business.

Retainer MONEY
A recurring fee a client pays for ongoing access to your work, usually monthly.

Runway MONEY
How many months a business can keep operating before it runs out of cash.

S corporation LEGAL
A tax election that lets a qualifying company pass income through to owners while paying them a salary.

SaaS OPERATIONS
Software as a service. Software sold as an ongoing subscription rather than a one time purchase.

SBA loan FUNDING
A business loan partly guaranteed by the US Small Business Administration and issued by a lender.

Self-employment tax MONEY
The Social Security and Medicare tax owed by people who work for themselves.

SEO MARKETING
Search engine optimization. Work done so that pages are found and understood by search engines.

Sole proprietorship LEGAL
The default structure when one person runs a business without forming a separate entity.

Term sheet FUNDING

A non binding outline of the main terms of a proposed investment.

Trademark LEGAL

A registered name, logo or phrase that identifies the source of goods or services.

Unit economics METRICS

The revenue and cost attached to one single unit sold, or one single customer.

Valuation FUNDING

What a business is judged to be worth, usually agreed at the point of an investment.

Variable costs MONEY

Costs that rise and fall with how much you sell, such as materials or payment fees.

Working capital MONEY

The cash available to cover day to day operations, calculated as current assets minus current liabilities.