Glossary of Terms & Phrases

Breakeven volume is the number of units you need to sell to avoid losing money. It is calculated by adding your fixed costs and dividing by unit margin.

The Build-Measure-Learn Approach is associated with a few useful mantras for entrepreneurs:

1. Evidence over intuition.
2. Fail fast and cheap, and
3. Raise customers first.

A business model is your rationale for how you plan to create, deliver, and capture value from customers.

Capturing interest involves telling the audience about the pain the customers are currently experiencing and making it relatable (you want to understand the pain).

The customer development process is a search for the people or businesses that have a problem and will be willing to pay for your solution.

Customer discovery interviewing is a fancy term that’s used to refer to having structured or planned conversations with people who fit your customer segment profile and might have the problem(s) you’re trying to solve.

Customer hypotheses are your best guesses about who you think is going to want your solution.

Defining the problem is a process that involves asking your customer how they feel about the problem, or using root cause analysis where you keep asking why something is a problem until you identify its essence

Entrepreneurial opportunity exists when people or organizations have problems or points of pain that can be addressed by innovative or novel solutions.

Entrepreneurship can be defined as the pursuit of opportunity without regard to resources currently controlled, the development of a business from the ground up, or the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit.

An entrepreneur is a person who decides to pursue an opportunity that often results in the creation of a new enterprise or startup business

Establishing credibility is the believability of the source of a message, and is defined by trustworthiness and expertise

Feasibility refers to whether the concept can actually work as well as the team's ability to execute the concept, as described, and establish a defensible position in the targeted market(s)

Fixed costs are business expenses that don't depend on the amount of products produced and sold by a business. You have to pay them even if you don't sell anything. Examples include employee salaries and rent.

Gaining buy-in requires three things:

- capturing interest,
- selling the quality of the team, and
- selling the quality of the idea

Growth potential refers to the likely ease with which the business can be scaled and the ultimate size that the business may attain (in terms of revenue and profits).

Ideation is the process of forming and developing ideas, or problem solving. Ideation can use a design-thinking-based framework consisting of three phrases: Understand, Imagine, and Refine.
A Lean Canvas is a variation of a business plan that consists of a series of boxes that describe your business model.

A lifestyle business is a business that originates from one's lifestyle (Ex: someone really likes surfing and wants to be around the beach and surfers all the time)

MVPs (Minimum viable products) allow you to collect the maximum amount of validated learning about customers with the least effort and expense. It is a model used to gather feedback and learn what's really important to the customer.

Opportunity recognition involves paying attention to the problems people complain about, thinking about what you are good at, and noticing things that can be improved

Opportunity Screening includes four criteria to separate the best chances from the rest. They are: importance of the problem, passion, economics of the opportunity, and your team.

A prototype is a description of a service or a cardboard (or physical) model of the actual product

A scalable startup is a business made with the intent of growing into something huge (Ex: Google)

Selling your idea involves describing the customers, the problem or point of pain you are solving for them, the solution and what its going to offer to solve customers' problems, your unique value proposition, how the plan is to make money, and the validation evidence for your concept

A small business is a business made by someone who wants to make a comfortable living (Ex: Ben's Dry Cleaners)

A social enterprise is a business made with the intent of making people's lives a bit better (Ex: Tom's Shoes, which gives away one pair of shoes to someone in need for every pair someone buys)

Unique value proposition is a clear statement of the benefits the solution will provide to customers that are different from and superior to the benefits provided by competing products.

Unit margin (or unit contribution margin) is the difference between unit revenue and unit variable cost. Price minus unit variable costs.

Unit revenue refers to how much money a customer will pay you for one unit of your solution. Another way to refer to unit revenue is the price your customer pays

Unit variable cost of your solution refers to how much it will cost you to produce, store, and sell one unit