Glossary of entrepreneurship and startup vocabulary

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Angel investor – A private individual, usually with personal wealth from prior entrepreneurial or professional success, who invests their own money in early-stage start-ups in exchange for equity, often at an earlier stage than venture capital funds and sometimes bringing mentorship alongside capital.

Beneficiary — The person or group intended to gain from an activity. Worth including precisely because it is not "customer" — in many social contexts, the beneficiary does not pay.

Bottom-up market estimation – A method of sizing a market that starts from granular, verifiable data (e.g., achievable price × realistic number of customers a venture could actually reach) and builds upward to a total. Slower to produce but generally more credible, since it's grounded in specific, defensible assumptions rather than broad averages.

Break-even point – The point at which total revenue equals total costs, meaning the venture is neither making a profit nor a loss. Below this point the business operates at a loss; beyond it, additional sales generate profit. Often expressed as a number of units sold or a revenue figure, and calculated using fixed costs, variable costs, and price per unit.

Bricolage — Making do by recombining resources already at hand, rather than acquiring what a plan specifies.

Customer – The person or entity who makes the purchasing decision and pays for the product or service. In B2B or family contexts especially, the customer and user are often different people (e.g., a parent buying software their child uses).

Effectuation – A decision-making logic for entrepreneurship, developed by Saras Sarasvathy, that starts from the means an entrepreneur already has (who they are, what they know, whom they know) rather than a predetermined goal, and builds the venture incrementally by leveraging affordable loss, partnerships, and unexpected opportunities. It contrasts with causal reasoning, which starts from a fixed goal and works backward to determine the resources needed. Effectuation is especially relevant under high uncertainty, where prediction is unreliable and the entrepreneur instead shapes the future through action.

Elevator pitch – A radically condensed version of a pitch (roughly 30–60 seconds, the length of an elevator ride) that communicates what the venture does, for whom, and why it matters, with enough clarity and hook to prompt the listener to want to hear more.

Entrepreneur – A person who identifies an opportunity (or problem worth solving), takes on the risk of organizing resources — capital, people, time — to pursue it, and drives the venture from idea toward a sustainable, value-creating activity.

Job-to-be-done concept – A framework (popularized by Clayton Christensen) proposing that customers don't buy products, they "hire" them to accomplish a specific task or resolve a specific struggle in their life. Understanding the underlying "job" reveals real competitors and unmet needs that product-feature thinking misses.

Impact measurement — Assessing the social or environmental change attributable to an activity, including what would have happened anyway. Methodologically harder than financial measurement.

Intrapreneurship — Entrepreneurial behaviour exercised inside an existing organisation.

Pain point – A specific problem, frustration, or unmet need experienced by a potential user or customer, often recurring, which creates an opportunity for a venture to solve if addressed effectively. Identifying real pain points (rather than assumed ones) is a core starting point for problem-solution fit.

Pitch – A structured, persuasive presentation of a business idea or venture to an audience (investors, partners, customers) designed to communicate the opportunity, the solution, and why it matters — typically covering problem, solution, market, business model, and team within a set time frame.

Pivot – A structured change in a venture's strategy — to its product, target customer, business model, or value proposition — made in response to evidence that the original approach isn't achieving product-market fit, while retaining what has been learned and often some existing assets (technology, team, customer relationships). A pivot is distinct from simply giving up: it's a deliberate course correction based on validated learning, not a random change of direction.

Product-market fit – The point at which a product satisfies strong market demand — customers actively want it, use it, and are willing to pay for it — such that the venture can grow primarily by scaling rather than by continuing to search for the right offering. Often described as the moment a start-up stops "searching" and starts "executing."

Scalability – The capacity of a business model to grow revenue significantly without a proportional increase in costs or resources — for example, software that can serve one more customer at near-zero marginal cost, versus a service business where growth requires hiring proportionally more people. High scalability is a key attractor for venture capital investment.

Shareholder's agreement – A legal contract between a company's shareholders (founders, investors) that governs ownership rights, decision-making authority, how shares can be sold or transferred, what happens if a founder leaves, and how disputes are resolved.

Social entrepreneurship - an application of entrepreneurial approaches — opportunity recognition, resource mobilisation, innovation under uncertainty, venture creation — to social or environmental problems, where the primary measure of success is social impact rather than financial return.

Social innovation — New practices, services, models or relationships that meet social needs more effectively than existing arrangements.

Start-up – A temporary organization designed to search for a repeatable and scalable business model, typically operating under high uncertainty about its product, customers, or market. Unlike a small business replicating a known model, a start-up is in discovery mode.

Top-down market estimation – A method of sizing a market that starts from a broad, existing figure (e.g., total industry revenue or population data) and progressively narrows it down through filters (geography, demographics, relevant segment) to estimate the addressable market. Fast to produce, but risks being overly optimistic since it relies on macro data rather than direct evidence of demand.

Unit economics – The direct revenues and costs associated with a single unit of the business model (e.g., one customer, one product sold, one transaction), used to assess whether the underlying business is fundamentally profitable before accounting for scale or fixed costs.

User – The person who actually uses the product or service, experiences its functionality, and derives direct benefit from it — who may or may not be the one who pays for it.

User research – The systematic process of gathering insights directly from potential or actual users — through interviews, observation, surveys, or usability testing — to understand their needs, behaviors, pain points, and context, in order to inform product or service design decisions rather than relying on assumptions.

Value creation — The generation of benefit for others, which may be financial, social, cultural or environmental.

Value proposition – The specific mix of benefits a product or service offers that makes it attractive to a particular customer segment: what problem it solves or need it fulfills, and why it's chosen over alternatives.

Venture – A new business undertaking involving risk and uncertainty, pursued in hope of profit or growth — used broadly to refer to a start-up or entrepreneurial project, particularly one still establishing its viability.

Venture capital fund – A professionally managed investment fund that pools capital from institutional and individual investors (limited partners) to invest in high-growth-potential start-ups in exchange for equity, typically taking an active role through board seats and expecting outsized returns from a small number of successful exits.