The Entrepreneur's Dictionary:
A Straightforward Guide to Business Terms

We've all noticed it: Every profession, every field of endeavor, every industry seems to have its own unique language, its own special vocabulary. And if you're not from that particular field or haven't been trained in that discipline, you find yourself on the outside looking in. You know the feeling: Even though everyone else in the room is speaking English, the strange words make it sound like a foreign language— as if they're communicating in code and you're the only one in the room who wasn't issued the secret decoder ring. We think of this phenomenon as Secret Code Syndrome (SCS). Don't worry—it's not fatal.

We encounter Secret Code Syndrome in fields ranging from medicine to the military, from journalism to jazz, from insurance to information technology. But one of the worst culprits of all is the field of business, and in particular entrepreneurship—that is, starting new businesses from scratch. At the Zell-Lurie Institute for Entrepreneurial Studies at the University of Michigan's Ross School of Business, we think that's silly. We understand that the vast majority of new businesses are launched by people who have deep expertise in and a passion for their particular field—say, wireless networking, or construction materials, or health care software, or graphics design—while 99 percent of those founders do not come equipped with years of previous startup experience, and many lack formal business training.

As serial entrepreneurs ourselves, a number of us on the Ross Entrepreneurial Studies faculty have already been through the drill and picked up the "secret code" of startup businesses. And because our mission is to apply our "useful scar tissue" to help others plan and launch great new businesses—whether from under the corporate umbrella or as stand-alone ventures—we thought we'd clear the air. So, we created The Entrepreneur's Dictionary to lay out a guide to business terminology for everyone in the startup game: entrepreneurs, startup executives, service providers, corporate new-business-development specialists, university tech-transfer professionals, inventors, and anyone else considering launching a new venture.

So congratulations: You've just been issued your entrepreneurship "secret decoder ring." Here's to successful venturing!

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