

STARTUP

GLOSSARY

THE STARTUP JARGON

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ACCELARATOR

An organization that offers startups mentorship, space to work and sometimes seed capital.

B2B / B2C

Business to Business /
Business to Customer

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BURN RATE

How fast you are spending your money.

CASH FLOW POSITIVE

More cash is coming in than going out.

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CLIFF

Usually refers to the one-year starting period of the stock option vesting schedule when no options are vested

DISRUPTIVE TECHNOLOGY

A new technological application that completely changes the way society does something.

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ACQUISITION

A buyer offers to buy up most (more than 50%) or all of the company.

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ACQUIRE

When a company is acquired for its talent, skills or people.

INCUBATOR

An organization that nurtures young firms during their first few months or years, usually in exchange for equity.

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IP / IPR

Intellectual Property Rights

KEY PERFORMANCE INDICATORS (KPIs)

The critical (key) quantifiable indicators of progress toward an intended result.

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LAUNCH

To start a company or push a website live

LEAN STARTUP

A strategy that focuses on creating the most value, using the least resources possible.

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MVP (MINIMUM VIABLE PRODUCT)

A basic version of the prototype that aims to validate the idea.

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PIVOT

Change directions as a company. This is usually used to describe going after a different market segment or using an established technology for an entirely new purpose

PITCH DECK

A presentation deck that is used to pitch your idea or company to investors. The Guy Kawasaki 10/20/30 rule for startups dictates that a pitch deck should not exceed 10 slides, 20 minutes and should not contain fonts smaller than 30 points.

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PIVOT

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ROI (RETURN ON INVESTMENT)

What the investor can expect to get for what they put in. It can also be used to describe the results of a particular marketing campaign's success. You want things to be "ROI positive".

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RUNWAY

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How long you have until the cash runs out and you must turn off the lights

SAAS (SOFTWARE AS A SERVICE)

- You sell subscriptions to use your software

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TERM SHEET/LETTER OF INTENT (LOI)

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The document between an investor and a startup including the basic terms and conditions for financing which is commonly non-binding. Once an agreement is reached between the parties involved, a binding agreement based on the term sheet is drawn up.

VALUATION

What your company is being valued at. “Pre-money valuation” is the value before you take investors’ cash. “Post-money valuation” is that amount plus the investment put in.

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VC (VENTURE CAPITAL)

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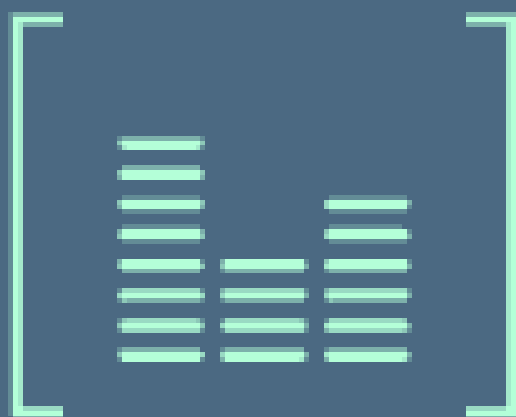
Venture capital is financing provided by firms to small, high-risk, startup companies with large growth potential in return for equity. Investors working for venture capital firms that choose to invest in specific companies are typically called VCs.

UNICORN

A company often in the tech or software sector worth over US\$1 billion.

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