

TALK

THE TALK:

Key Startup Terms and Phrases



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Congratulations on becoming an entrepreneur and starting this

incredible journey with your new

startup! The world of startups can

be daunting, and not only because

of the language that is used, but

also because it's probably all new

to you. Here's a list of commonly

used terms you might come across

and need to understand and use.

It's time for you to unpack the

jargon and talk the startup talk!



1. **“Ask” or “Call to Action”**
what you include in your pitch when you invite the audience to either use your service or buy your product, or perhaps the amount of investment your startup is seeking. Finish your pitch with a “Call to Action”, followed by a thank you.

2. **Early adopters**
= “an early customer of a given company, product, or technology”¹. These are consumers who are excited about, and enjoy trying out new products. They are very valuable to your business, as you can improve your product with the help of their feedback. They also give you credibility for your discussions with other customers and investors.

3. **Elevator Pitch**
= a 30-second description of your company’s business idea, including the product you have, the problem it solves, and the Call to Action.

4. **Pitch**
= a brief, impressive interaction where you describe your business idea using your awesome selling and storytelling skills.

5. **Pitch deck**
= a highly visual presentation, used to support your pitch. It has a lot of graphics and very few words. Check out Guy Kawasaki’s tips on how to capture everything in just 10 slides!

6. **Revenue**
= Revenue is the income that a business has from its normal business activities.

¹ Everett M. Rogers: Diffusion of Innovations (1962)

7. **Startup**

= "A Startup is a team of entrepreneurial talent with innovation in process, in identifiable and investable form, in progress to validate and capture the value of the innovation - with target to grow fast with scalable business model for maximum impact."² Note that this is different from your typical Small or Medium sized Enterprise (SME) or larger company when it comes to the mindset and the way these companies operate.

8. **Tagline**

= the compelling hook you start your pitch with and makes your audience want to learn more. It is the vision your company sells, and is at its most effective when captured in ten words or less.

9. **Traction**

= evidence of how successful your business has become. This can be shown in amount of sales, downloads, strategic partnerships or the secured investment so far. Numbers are important.

10. **Unique Value Proposition**

= what added value your business brings to your clients that separates you from your competitors.

² Startup Commons: <http://www.startupcommons.org/what-is-a-startup.html> Also see: Startup Development Phases to understand how your startup positions itself! <http://www.startupcommons.org/startup-development-phases.html>



Want to learn a little more? Here's a top 5 of other typical terms used in the startup life:

1.

Bootstrap

= starting your business without external funding sources, or with very limited financial support from the Three Fs (Friends, Fools, and Family).

2.

Business Model Canvas

= a visual template that helps startups identify key elements in their business plan, several various free templates are available online.

3.

Lean Startup

= the philosophy guiding startup founders and the methodology driving many startups and modern companies, an approach for agile product development and startup management.³

4.

Minimum Viable Product (MVP)

= the earliest version of a product or service that the startup can use to test their idea. An MVP of a car, for example, is not the body of the car, but rather a skateboard, since it allows them to test the hypothesis of users wanting to use something on wheels to get to a place faster.

5.

Pivot

= when a startup changes their business idea, model, or product. A startup is always evolving, and some of the most successful startups pivot at least ten times before finding their core business idea.



³ Ries, Eric, 2011: The Lean Startup: How today's entrepreneurs use continuous innovation to create radically successful businesses.



Photo by Christina Morillo from Pexels

There is an abundance of good material out there for anyone who is eager to dig deeper.

Check out these top sources:

1. What to Google: “10 Must-See TED Talks for Entrepreneurs”
2. What to read: Eric Reis - The Lean Startup, 2011
3. What to watch: TV series “Shark Tank” and HBO’s Silicon Valley
4. Where to network: Become a member of VC4A, connecting African startups to opportunities.
5. How to learn more: Free online courses on entrepreneurship at www.funzi.mobi

