

Business Terms/Words used in Entrepreneurship – The Game

Advertising Plan (Ad Plan) - you will use to promote your product. Advertising plans represent different media approaches to making the potential customer aware of your product. For example, advertising on social media, advertising in a magazine, advertising on TV, etc.

Advertising campaign - a group of advertising plans. In this game the ad plans you have chosen each quarter comprise the advertising campaign for your product.

Ad Plan Table - shows how effective that median is for each market you have chosen. The greater the effectiveness the more efficient your promotional dollars are. A high effectiveness means your advertising will reach more of your potential customers than a advertising plan with a low effectiveness.

Ad Campaign budget - the amount of promotional dollars being spent in a specific market.

Budget – how much you have planned to spend in promoting your product in each of the markets.

CEO – Chief Executive Officer - The top executive in a company.

Cost – the purchase price of a product from the vendor. In manufacturing the cost represents the dollars spent to produce the product.

Cash Flow – the flow of capital into the business. It is comprised of positive and negative flows which add to and subtract from the balance. Positive flows for example are revenues, investments, loans whereas negative flows are purchasing, HR expense, interest etc. The objective is to always have a positive balance. In business “cash” is King.

Capital – how much money you need or desire to operate your company. Sources of capital in the game represent personal bank accounts, personal credit cards, commercial and family loans, investment (sale of stock), operating dollars (projections minus purchase cost), etc.

Entrepreneur – a person who organizes and manages a business undertaking, assuming the risk for the sake of the profit.

GAP Analysis - competitive analysis of a market showing opportunities that can enhance revenue.

Gross Margin (GM) - the difference between the selling price and the cost of goods (i.e. cost of item) the higher the GM the greater the operating dollars to the company.

Growth Analysis - improvement in the quarterly results for a product, such as Revenue, GM, Cash, etc.

Human Resources (HR) - the cost associated with hiring and maintaining humans in the company. In the game you can expense HR which represents the hiring cost, there is an associated salary for the people you have hired, however you have improvements in revenues and operations.

Inventory – the amount of your product you have to sell each quarter.

Inventory storage costs - an expense to the corporation for storing excess inventory that you have not sold.

Inflow Capital - monies coming into the Corporation.

Interest Percentage - the money you will have to pay if you borrow from a credit card, commercial loan or family loan (in the game).

Market - the potential customer group. It is comprised of a population which represents the number of potential customers in a specific market. The market, i.e. customers, has a desired set of product features which in the game is the value proposition.

Market Share - percentage of a market that purchased the product.

Outflow Capital - monies being dispersed by the Corporation.

Potential revenue - projected inflow of dollars based on the sales projection.

Quantity on-order (QOO) - how many items you are planning on ordering this quarter.

Quantity on-hand (QOH) - how many items you have left from the previous quarter.

Quarterly - a three-month period in business terms. Four quarters represents one fiscal year.

Retail – the price of the item as designated by the reseller.

Revenue - inflow of dollars to the corporation based on the sale of products and services.

Suggested retail – the recommended selling price of the product by the manufacturer.

Simulation - the production of a computer model of something, especially for the purpose of study.

Stockholder Ownership - the number of shares owned in a corporation.

TPI/E – Thinking, Planning, Implementation/Execution, an approach to managing a corporation.

Value Proposition – the value proposition represents a measure of the desirability of a product in a particular market. A high value proposition implies that the market desires the product whereas a low value means the market has little interest in the product.