

ABN	stands for Australian Business Number, which is an 11-digit identifying number for businesses
bottlenecking	occurs when production is unable to continue until certain tasks are performed
break-even point	the point where revenue from sales is equal to the total costs of a business
budget	a plan predicting revenue (from sales or investments) and expenses of a business for a future time period
business idea	a concept with the possibility of being translated into a profitable business

competitive  
advantage

an advantage over competitors, gained through greater value, lower prices, improved quality or greater benefits or services

critical issues in  
business success  
and failure

any of the aspects of a business that are identified as vital for successful targets to be reached and maintained

due diligence

a process by which a target business is thoroughly investigated in order to estimate its worth for acquisition

environmental  
scanning

monitoring a business' internal and external environment so that it can gather, analyse and use information for tactical or strategic purposes

executive summary

summarises a report in a way that allows the reader to become rapidly acquainted with the content without having to read it all

fixed costs

the costs of inputs that do not vary as production or output increases, for example rent, insurance, utility connection costs

four P's

product, price, promotion and place

franchise

a right granted to market the goods or services of a successful business within a certain area or location

franchisees

the business people who operate a standard business model with assistance from the franchisor, pay a regular fee to the franchisor

franchisor

the owner of the business who licences the business idea to people who are willing to operate a standard business model

gearing or leverage	the ratio of debt funding to equity funding in a business
goal	a subjective, general outline of what the owner would like the business to achieve
gross domestic product	the total amount and value of goods and services produced in a nation in one year
growth	the increase in size and value of a business over time
key performance indicators	set indicators of a goal being achieved, or contribution being made towards a goal

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labour intensive

a business that employs  
a high proportion of  
labour compared to  
capital equipment

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