

## Words to Remember

- **Entrepreneur:** an entrepreneur creates a product or service that people can enjoy, or solves a problem they may have. They organize, manage, and assume the risk of a business, and they work for themselves instead of someone else.
- **Product:** something that can be used or consumed.
- **Service:** something that can be done for others.
- **Business plan:** a document that will help an entrepreneur build the foundation for their product or service. It has all of the information necessary to create and sell products or provide services. It is an important tool for planning, budgeting, and knowing what to do when problems arise.
- **Logo:** an image that usually depicts the main idea of what a product or service is. An effective logo is versatile, meaning that its colors can change and it will still look simple and clean.
- **Marketing (Advertising):** gets the word out about a product or service to potential customers.
- **Customer:** someone that will purchase a product or service.
- **Pitch:** a small speech that tells potential customers about the focus and goal of a product or service, and why it is the best or most unique.
- **Startup cost:** the amount of money needed to launch a business. How much it costs to start a business depends on the type of business.
- **Sponsor:** someone who likes a business idea and would like to financially help an entrepreneur with their startup costs.
- **Expenses:** how much is paid to create or showcase a product or service and market it to an audience. It is important to know expenses in order to properly charge for a product or service.

## *Business Planning With A Purpose*

- *Cost per unit: the cost of making EACH product or providing EACH services. For products, cost per unit can be found by dividing all expenses by the number of items that can be made with the materials on hand. For services, cost per unit can be found by dividing total expenses by the number of hours spent completing a service.*
- *Competitors: businesses or entrepreneurs that sell the same product or provide the same service as another business or entrepreneur.*
- *Profit: found by subtracting total expenses from income.*
- *Income: how much is made when selling a certain amount of products or completing a certain amount of services.*