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| **Glossary** |  |
| **Chapter 6** |  |
| **Business plan** | a written description of the business idea and how it will be carried out, including all major business activities. |
| **Entrepreneur** | someone who takes a risk in starting a business to earn a profit. |
| **Entrepreneurship** | the process of starting, organizing, managing, and assuming the responsibility for a business. |
| **Improvement** | a designed change that increases the usefulness of a product, service, or process. |
| **Innovation** | an invention or creation that is brand new. |
| **Inventory** | a detailed account of a company's materials, supplies, and finished products. |
| **Long-term financing** | money needed for the main resources of a business (such as land, buildings, and equipment) that will last for many years. |
| **Needs** | things that are required in order to live. |
| **Productivity** | the production output in relation to a unit of input, such as a worker. |
| **Proprietorship** | a business owned and run by just one person. |
| **Services** | activities provided for the satisfaction of others that are consumed at the same time they are produced. |
| **Short-term financing** | the money needed to pay for the current operating activities of a business. |
| **Small business** | an independent business with fewer than 500 employees. |
| **Small Business Administration (SBA)** | a government agency that helps small business owners develop business plans and obtain financing and other support for their companies. |
| **Start-up financing** | the amount of money needed to open the business. |
| **Venture capital** | money provided by large investors to finance new products and new businesses that have a good chance to be very profitable. |
| **Wants** | things that add comfort and pleasure to your life. |