

Frequently used terms:

1- *Bottom of the Pyramid:*

“The world's most exciting, fastest-growing new market is where you least expect it: at the bottom of the pyramid. Collectively, the world's billions of poor people have immense untapped buying power. They represent an enormous opportunity for companies who learn how to serve them. Not only can it be done, it is being done-- very profitably. What's more, companies aren't just making money: by serving these markets, they're helping millions of the world's poorest people escape poverty.” C.K. Prahalad

2- *Venture capital:*

The venture capital industry drives U.S. job creation and economic growth by helping entrepreneurs turn innovative ideas and scientific advances into products and services that change the way we live and work.

Venture capitalists do this by providing the funding and guidance — and by assuming the risks — necessary for building high-growth companies capable of bringing these innovations to the marketplace.

Vcs focus exclusively on companies developing significant innovations — be it a new piece of software, a life-saving cancer drug, or a new model for consumer sales. Unless the company is poised for significant growth, a VC won't invest.

Source: http://www.nvca.org/index.php?option=com_content&view=article&id=141&Itemid=589

3- *Impact investing/investors:* “Actively seek to place capital [cash money] in businesses and funds that can harness the positive power of enterprise.”

“Impact investing has the potential to unlock significant sums of private investment capital to compliment public resources and philanthropy in addressing pressing global challenges”

Source: (www.thegiin.org).

4- *Village capital:* Village Capital improves entrepreneurial success with social ventures and accelerates the impact investing space by building peer support organizations for entrepreneurs in cities throughout the world. Inspired by early microfinance lending groups, where entrepreneurs select loan recipients from their own group, VilCap “crowd-sources” the most investable companies for investor partners.

Source: <http://www.vilcap.com/about>

5- *Business Accelerator:* Unlike traditional [business incubators](#), in which companies can share offices for years, accelerators are structured like camp sessions designed to turn inchoate ideas into prototypes or market-ready products in a matter of months

Accelerators fill a knowledge gap for startups that need the expertise and connections that a venture firm would provide, even if they don't yet need million-dollar investments

Source: http://www.businessweek.com/smallbiz/content/mar2011/sb20110329_239744.htm

6- **Business Incubator:** A [company](#) or facility designed to foster [entrepreneurship](#) and help [startup companies](#), usually technology-related, to [grow](#) through the use of shared [resources](#), [management](#) expertise, and intellectual [capital](#).

Participants get advice from mentors, as well as help with building prototypes, securing intellectual property, or performing preclinical trials.

Source: <http://www.investorwords.com/2418/incubator.html#ixzz1bRaKUPWg>

7- **Feasibility study:**

An [analysis](#) and [evaluation](#) of a proposed [project](#) to determine if it (1) is technically feasible, (2) is feasible within the estimated [cost](#), and (3) will be profitable.

Feasibility studies are almost always conducted where large [sums](#) are at stake. Also called [feasibility analysis](#).

Source: <http://www.businessdictionary.com/definition/feasibility-study.html>

8- **Due Diligence:** refers to the steps taken by venture capitalists before investing a round of capital in a startup, the ongoing investigation as to how the funds are being distributed, or the precautionary steps taken by a larger company in deciding to acquire a smaller company.

Source: <http://www.wisegeek.com/what-is-due-diligence.htm>

9- **Angel investors:** Business angels are wealthy, entrepreneurial individuals who provide capital in return for a proportion of the company equity. They take a high personal risk in the expectation of owning part of a growing and successful business. Many contacts are made informally. For example: personal friends and family; wealthy business contacts; major suppliers and clients of the business. Investors can also be found by approaching formal angel networking organizations; many of the most active business angels use these networks to find out about interesting investment opportunities.

Source: http://tutor2u.net/business/finance/business_angels.htm