



BEVERLY STEWART, LLC

Glossary of Small Business Terms

Accounts Payable (A/P) Days --- The time you take to pay for purchases. It is determined by dividing the A/P number on your balance sheet into your total cost of sales for the period, and then dividing that into the number of days for the period. When used together with A/R Days, helps determine whether a business will experience a cash flow shortfall or surplus.

Accounts Receivable (A/R) Days --- The time it takes you to collect the cash for the sales you have made on credit. It is determined by dividing the A/R number on your balance sheet into your total sales for the period, and then dividing that into the number of days for the period. When used together with A/P Days, helps to determine whether a business will experience a cash flow shortfall or surplus.

Branding --- The process of a business establishing its name, image, or reputation as being associated with a particular quality or qualities, such as strong value, high quality, low price or exceptional service.

Broadband --- A way to connect to the Internet that is much faster than using a dial-up telephone connection; allows talking on the phone and accessing the Internet at the same time without two separate phone lines.

Business plan --- A business "blueprint" that outlines all the details of a business: products and/or services, industry segment, management team and employees, marketing strategies, competitors and competitive advantages, operations details, and financials.

Cash flow --- The difference between cash coming into a business (i.e. receivables) and cash going out of the business (i.e. payables).

Collateral --- Assets that a company pledges as a repayment source for a loan, such as real estate, office, or manufacturing equipment, accounts receivable or inventory, etc.

Competitive analysis --- The section of a business plan that describes how a business is different from its competitors, focusing primarily on its USP, or unique selling proposition: quality, price, service, technology, creativity, value, knowledge, etc.

Corporate identity --- An essential element in self-promotion, this is everything a business does to present itself in the marketplace: image, trademarks, logos, etc.

Defined-benefit plan --- A type of retirement plan that is primarily employer-funded and guarantees employees a specific benefit amount at retirement (for example, the traditional pension plan).

Defined-contribution plan --- A type of retirement plan that provides for an individual account for each participant and for benefits based solely upon the amount contributed to the participant's account, as well as any income, expenses, gains and losses, and any forfeitures of accounts of other participants that may be allocated to such participant's account. A 401(k) plan is a popular form of defined contribution plan in which employees are mostly responsible for funding their own retirement, typically through pre-tax salary deferrals, with employers making voluntary matching contributions.

6 Stone Hill Road
Wilmington, DE 19803
Office: 302 594-0754/Home 302 239-9594
Cell: 302 379-1010
E-mail: beverly@beverlystewart.com