HatchStride Business Terms Guide

Business words explained without the business jargon.

41 useful terms
From business setup and money to marketing, operations, and growth.

Last updated: September 2026
This guide will continue to grow. Check the HatchStride site for the latest version.

How to use this guide
Keep it nearby when a business term comes up that you do not recognize. Use it as a quick reference, then do deeper research or speak with a qualified professional when a term affects a legal, tax, insurance, or financial decision.

A HatchStride+ resource for business owners at every stage.

Starting & Structuring a Business

Sole Proprietorship	A business owned by one person that is not legally separate from the owner.
LLC	Limited Liability Company. A business structure that creates a separate legal entity from its owner or owners.
Corporation	A separate legal business entity with its own rights and responsibilities.
DBA	Doing Business As. A trade name a business uses instead of its legal entity name.
EIN	Employer Identification Number issued by the IRS for tax and business purposes.
Registered Agent	The person or company designated to receive official legal documents for a business.
Operating Agreement	A document that explains how an LLC will be owned and operated.
Articles of Organization	The formation document generally used to officially create an LLC with a state.

Quick reminder: your legal structure can affect taxes, liability, and ownership. Do your due diligence before choosing one.

Money & Profit

Revenue	All the money a business brings in before expenses are deducted.
Expense	Money the business spends to operate.
Profit	What remains after expenses are subtracted from revenue.
Gross Profit	Revenue left after subtracting the direct cost of providing the product or service.
Net Profit	What remains after all business expenses are deducted.
Cash Flow	Money moving into and out of the business.
Overhead	Ongoing costs required to operate the business that are not tied to one specific sale or job.
Break Even Point	The point where revenue equals expenses, meaning the business is neither making nor losing money.
Markup	The amount added to a cost to determine the selling price.
Profit Margin	The percentage of revenue that remains as profit.

Revenue is not the same as profit. Knowing the difference is one of the most important habits in business.

Banking & Payments

ACH	An electronic bank to bank payment or transfer.
Merchant Processor	A company or service that processes customer card payments.
Processing Fee	A fee charged for processing a payment.
Chargeback	When a customer disputes a card transaction and the payment may be reversed.
Line of Credit	A borrowing limit a business can draw from as needed instead of receiving one lump sum loan.
Working Capital	Money available to cover the normal day to day operations of the business.

Understanding how money moves through your business can help you avoid fees, cash flow surprises, and payment issues.

Taxes, Payroll & Team

W-2	A tax form reporting wages and taxes withheld for an employee.
W-9	A form used to collect taxpayer information from a person or business you may pay.
1099	A tax form commonly used to report certain payments made to non employees or other businesses.
Payroll Tax	Taxes connected to employee wages and payroll.
Withholding	Money taken from an employee's paycheck and sent toward taxes or other required payments.
Tax Deduction	An eligible business expense that can reduce taxable income.
Independent Contractor	A self employed person or business hired to perform work without being classified as an employee.

Employee and contractor rules can vary. When classification or taxes matter, confirm requirements with the appropriate professional or agency.

Sales & Marketing

Lead	A person or business that may become a customer.
Conversion Rate	The percentage of leads or visitors who take the action you want, such as buying or booking.
CRM	Customer Relationship Management software used to organize customer information, leads, communications, and sales activity.
SEO	Search Engine Optimization. Improving online content so it has a better chance of appearing in search results.
ROI	Return on Investment. A way to measure whether the money, time, or effort you put into something produced enough value in return.
Customer Acquisition Cost (CAC)	How much it costs, on average, to gain a new customer.

Marketing terms are only useful if you track what actually brings customers and revenue into the business.

Operations & Growth

SOP	Standard Operating Procedure. A written step by step process explaining how a recurring task should be completed.
KPI	Key Performance Indicator. A number used to track an important part of business performance.
Recurring Revenue	Revenue that repeats on a predictable basis, such as subscriptions or service plans.
Churn	The rate at which customers or members stop using or paying for a product or service.
Scalability	The ability of a business to grow without its costs or workload increasing at the same rate.

Strong systems make growth easier. Document what works, measure what matters, and improve as you go.

Keep Learning

Business language can feel complicated at first, but the more you hear these terms and use them, the more natural they become.

This guide is a living HatchStride+ resource.

We will continue adding useful business terms as HatchStride grows. When the guide is updated, the latest version will be available on the HatchStride website.

See a term missing?
Keep a note of it. The best resources grow from real questions business owners actually have.

START SMART. BUILD STRONG.