Stoke Terms and Definitions

(Note: These are listed in order of relevance to the conversation about Stoke instead of alphabetically.)

HIGH TECH – The high-tech sector can be defined as industries having high concentrations of workers in STEM (Science, Technology, Engineering, and Mathematics) occupations. This can include high-tech manufacturing industries, a subset of the goods-producing industry or high-tech service industries.

Source: https://www.bls.gov/opub/btn/volume-5/pdf/the-high-tech-industry-what-is-it-and-why-it-matters-to-our-economic-future.pdf

http://www.kauffman.org/what-we-do/research/2014/02/declining-business-dynamism-in-the-us-high-technology-sector

TECHNOLOGY (TECH) COMPANY – A technology (tech) company is a type of business that focuses primarily on the development and manufacturing of technology. Apple, IBM, Lenovo, Huawei, Microsoft, and Oracle, among others, are considered prototypical technology companies. Tech companies build hardware, software, algorithms and platforms.

Source: https://en.wikipedia.org/wiki/Technology_company

TECH-ENABLED COMPANY – Businesses that leverage technology. Tech-enabled companies use the tech tools to enhance their core businesses, and they measure success differently. An e-commerce company – by definition, tech-enabled – cares about measuring traffic, purchase rates and other ROI indicators. Amazon and Uber are tech-enabled companies.

Source: https://www.entrepreneur.com/article/283345#

STARTUP/PHASES OF A STARTUP BUSINESS – A startup is a newly-established business. It applies to entrepreneurial businesses in any sector, though the term is often associated closely with the technology sector.

- Phase 1 – Idea Stage: This is the very beginning of the business lifecycle, before a startup is even officially in existence. This is when one or more entrepreneurs find other founders and advisors to get early feedback before incorporating.
- Phase 2 – Incorporation/Pre-Seed/Proof of Concept Stage: After a startup is incorporated, a proof of concept (PoC) product or service is built, which is used to gain initial users/customers, and the founders, advisors, and their closest friends/family will

invest small amounts of capital to get the PoC into the hands of the first paying customers. This is also sometimes called the "Friends and Family" round of capital funding.

- Phase 3 – Establishing Product/Market Fit: The Seed, Post-Seed, or Bridge funding rounds are typically the first larger rounds of capital led by more established investors (angel investors, venture capitalists) when a startup has a working product and some initial traction. This stage of the business is focused on expanding and refining the product to prove that the product can start taking on an order of magnitude or more additional customers. Only 40% of seed-stage companies survive to raise a Series A round of funding.
- Phase 4 – Market Size and Product Validation: Starting with the Series A round of funding, a startup is now growing as fast as it can to acquire as much of the target market as possible with its products. As revenue and user base expands to match the startup's projections, it will raise additional funding rounds to continue to grow at a very fast pace. Some startups find themselves in the black or even profitable at these stages, but many startups choose to hire more aggressively with venture capital so they can quickly capture a market (timing is everything). After the Series A round, there's flexibility in how many more rounds should be raised in this phase, but most successful large startups will raise an additional two or three rounds (Series B, Series C, Series D, etc...)
- Phase 5 – Growth: After achieving market saturation, businesses begin to highly optimize their operating costs and begin growing at more predictable market-driven rates. Usually at this stage, startups looking to raise capital will turn to more traditional private equity options, but venture capitalists have also been known to invest in this category lately with more private companies becoming unicorns (startups worth > $1B).
- Exit – This is one of the most important parts of any funded startup. It will not be able to raise money without an effective exit strategy so the investors can reap the rewards of their investment. Exits can occur any time during the overall startup lifecycle, for several reasons, but usually the best outcomes favor an exit slightly before the startup has reached market saturation. The two most common forms of exit are an acquisition by another company, or a public stock offering (or IPO). Due to the high cost and regulations around IPOs, relatively few tech startups make it to that stage, and opt for an acquisition, or stay private and give their stockholders additional liquidity through secondary markets. Having navigated the expansion stage of the business lifecycle successfully, a company should now be seeing stable profits year-on-year. While some companies continue to grow the top line at a decent pace, others struggle to enjoy those same high growth rates.

  Source: https://www.entrepreneur.com/article/271290

CO-WORKING/CO-WORKING SPACE – The use of an office or other working environment by people who are self-employed or telecommuters/remote workers, typically so as to share equipment, ideas, and knowledge. A workspace with flexible structures that is designed for and by people with atypical, new types of work - that is not exclusively for people from one certain company. “The whole idea of co-working is to bring bright, creative people together and let the ideas collide.”

Source: http://www.sparkcommons.com/en/blog/read/360767421/what-is-coworking
https://en.oxforddictionaries.com/definition/co-working
http://www.deskmag.com/en/coworking-spaces-101-a-new-definition

INCUBATOR – Incubators are designed to help startups stay in business. An incubator physically locates startups in one central work space with many other startup companies. In many cases, the startups in these incubators can all be venture funded by the same investor group. You can stay in the space as long as you need to, or until your business has grown to the scale it needs to relocate to its own space. The mentorship is typically provided by proven entrepreneurial investors, and by shared learnings of your startup CEO peers. Examples include Lightbank and Sandbox Industries in Chicago.

Source: https://www.forbes.com/sites/georgedeeb/2014/08/28/is-a-startup-incubator-or-accelerator-right-for-you/#7278a8163d7a

ACCELERATOR – A startup accelerator is very similar to an incubator, but has some distinct differences. Your time in the space is typically limited to a 3-4 month period, basically intended to jump-start your business and then kick you out of the nest. The cash investment into your business from the accelerator itself is minimal, but your time in the accelerator should largely improve your chances of raising venture capital from a third-party entity after you graduate from the program. Often, accelerators require an equity stake in the business in exchange for their initial investment. Mentorship often comes from entrepreneurs that are affiliated with the accelerator (many of which are proven CEOs, or investors looking for their next opportunity or simply helping the local startup community). Examples include Tech Stars and Y Combinator.

Source: https://www.forbes.com/sites/georgedeeb/2014/08/28/is-a-startup-incubator-or-accelerator-right-for-you/#7278a8163d7a

FREELANCER – A freelancer is self-employed person offering services, usually to businesses and often to multiple clients at a time. The type of work freelancers do varies. Nearly every type of service a business would need could be provided by a freelancer, including (but not limited to), marketing, such as social media marketing, copywriting, and publicity, writing, such as articles and blog posts, technological support, such as web programming and design, creative works such as graphic design, and financial support, such as bookkeeping.

Source: https://www.thebalance.com/what-is-freelancing-1794415

TELECOMMUTER/REMOTE WORKER – An employee who works outside the office, often working from home or a location close to home. "Remote worker" is the preferred term these days.

Source: https://www.thebalance.com/what-is-telecommuting-2062113

BOOTSTRAPPING – Bootstrapping is a situation in which an entrepreneur starts a company with little capital. An individual is said to be bootstrapping when he or she attempts to found and build a company from personal finances or from the operating revenues of the new company. There's anecdotal evidence that this happens in Denton a lot.

Source: http://www.investopedia.com/terms/b/bootstrap.asp

CROWDSOURCING/CROWDFUNDING – The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet. Examples of crowdfunding include Kickstarter, Indiegogo, RocketHub, and investment platforms like 1000 Angels.

Source: https://www.forbes.com/sites/tanyaprive/2012/11/27/what-is-crowdfunding-and-how-does-it-benefit-the-economy/#76317bc9be63

ANGEL INVESTOR – An angel investor is a person who invests in a business venture, providing capital for start-up or expansion. Angel investors are typically individuals who have spare cash available and are looking for a higher rate of return than would be given by more traditional investments, and usually offer a high affinity or philosophical alignment with early founders. Angels typically invest in the founders and their idea more than the business itself.

Source: https://www.thebalance.com/angel-investor-2947066

VENTURE CAPITAL – Venture capital is money that is invested to help build new startup firms that often are considered to have both high-growth and high-risk potential. Venture capital funds come from venture capital firms, which comprise professional investors (the venture capitalists, or "VCs") who understand the intricacies of financing and building newly formed companies. The money that venture capital firms invest comes from a variety of sources, including private and public pension funds, endowment funds, foundations, corporations and wealthy individuals, both domestic and foreign. Those who invest money in venture capital funds are considered limited partners, while the venture capitalists are the general partners charged with managing the fund and working with the individual companies.

Source: http://www.businessnewsdaily.com/4252-venture-capital.html

B2B – Business-to-business is the exchange of products, services or information (aka e-commerce) between businesses, rather than between businesses and consumers.

Source: http://searchcio.techtarget.com/definition/B2B

B2C – Business-to-consumer is business or transactions conducted directly between a company and consumers who are the end-users of its products or services. The business-to-consumer as a business model differs significantly from the business-to-business model, which refers to commerce between two or more businesses.

Source: http://www.investopedia.com/terms/b/btoc.asp

UNICORN – A venture-backed, private equity technology company valued at a billion dollars or more.

Source: http://fundingsage.com/what-is-a-unicorn/