

## 2.1 Growing the business

Key word	Definition
Research and development	Research into new products or processes and developing ideas that are generated from research
Innovation	The act of creating new products or processes
E-commerce	Using the internet to carry out business transactions
Merger	When two or more businesses join together to operate as one business
Takeover	When one business buys another business and incorporates it into their own business
Public Limited Company	An incorporated business that can sell shares to the public (also known as a PLC)
Multinational	A business with operations in more than one country (also known as multinational corporation or MNC)
Assets	Items owned by a business, such as premises, equipment or stock
Interest	The cost of borrowing, or a percentage of the amount of money borrowed that must be repaid in addition to the original amount borrowed
Secured	Guaranteed, because if the business fails to pay back the money the bank can take the asset and sell it
Dividends	A percentage of a business's profits that is paid to shareholders as a reward for their investment in the business
Stock Market Flotation	The process of changing a business to a public limited company (PLC) by issuing shares for sale on a stock exchange
Stock Exchange	A place where shares in PLCs can be bought and sold
Degree of Competition	The number and size of businesses competing in a particular market
Market share	The proportion of sales in a market that taken by one business
Culture	The general attitudes, behaviour and beliefs of a business and its workforce
Retrenchment	When a business downsizes the scale of operations by reducing the number of employees or closing less profitable branches
Organisational structure	The way in which the workforce is organised, usually a hierarchy with people reporting to managers all the way up to the chief executive officer (CEO)
Product Portfolio	The range of goods and services offered by any one business
Globalisation	When businesses operate on an international scale and gain international

	influence or power
Imports	The flow of goods and services into a country from another country
Exports	The flow of goods and services out of a country to another country
Domestically	At home or within a business's home country
Tariff	A tax imposed on imports and exports
Protectionist measure	An action taken by government to reduce the flow of imports into the country
Trading bloc	A group of countries that agree to act together to promote trade between themselves
Localise	Adapt to suit the local area and its needs, particularly in terms of culture, language or geographical location
Ethics	Moral principles or standards that guide the behaviour of a person or business
Stakeholder	Anyone who has an interest in the activities of a business, such as its workers, its suppliers, its directors, the local community and the government
Trade-off	A balance between two differing or opposing objectives, such as making a profit and spending money on ethical activities that will enhance the business's reputation
Profit margin	The proportion of revenue left over after costs have been deducted
Green audit	Detailed review of a business's impact on the environment, either conducted by the business itself or by an independent organisation
Sustainability	Acting to ensure that natural resources are use responsibly, to protect the environment for future generations
Finite resource (also known as a non-renewable resource)	A resource that does not renew itself quickly enough to meet society's consumption of that resource, such as oil and natural gas
Pressure group	A group of people who join together to try to influence government policy or business policy for a particular cause
Boycott	Refusing to buy from or interact with a particular business or organisation
Viral marketing	Using online channels, such as video-sharing or social media sites, to spread a campaign message by encouraging people to share with their friends
Lobbying	Trying to influence the government or other organisations