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15 CONFUSING TERMS MANAGERS SHOULD KNOW (BUT MANY DON'T)



OKRs (Objectives & Key Results)

vs

KPIs (Key Performance Indicators)

- **OKRs:** Ambitious **goals** + measurable **milestones**. Often used to stretch and inspire teams.
 - ‘*Implement new CRM-tool before Q4*’
- **KPIs:** **Measurements of progress** to track performance against specific targets
 - ‘*Increase revenue Q3 by 3%*’

Leadership vs Management

- **Leadership:** Guiding and motivating a group towards a goal

You can be a leader, without being a manager

- **Management:** Organizing tasks, processes, and resources.

Takeaway: Effective leaders often blend both skill-sets to inspire teams while keeping operations on track.

Mission vs Vision

- **Mission:** What the company does every day and why it matters. Gives direction, is about today.

"To make education affordable, engaging, and open to everyone."

- **Vision:** A big dream of an inspiring *future* state. Is about tomorrow.

"A global society where access to education knows no bounds."

Strategy vs Plan

- **Strategy**: The overarching direction for achieving goals.
- **Plan**: The detailed steps and timelines to make that **strategy** happen.

Takeaway: Strategy sets the **‘why’** and **‘what’**, while a plan executes the **‘how’** and **‘when’**.

Upsell vs Acquisition

- **Upsell**: Increasing revenue by having existing customers spend more.
- **Acquisition**: Attracting entirely new customers to grow your overall customer base.

Takeaway: Acquisition brings new faces in; upselling maximizes the relationship with those already engaged.

Coaching vs Training

- **Coaching:** Helping others clarify their goals and how to achieve them. *Non-directive.*

“What are your goals? Why is that important to you? What will you do? When?”

- **Training:** Transferring knowledge or skills. *Directive.*

“I’ll show you how to do X”.

Takeaway: Train juniors, coach seniors.

Forecast vs Budget

- **Forecast**: Predicted financial outcomes based on current trends.

“We expect Q3 revenue to grow by 12%”

- **Budget**: A financial plan or target set for a specific period.

“Your Q3 budget for new hires is 66k.”

Takeaway: Forecasts adjust with reality; budgets set the ambition.

Gross Profit **vs** **Operating Income**

- **Gross Profit:** Revenue minus *costs of goods sold (COGS)*.

COGS - costs directly tied to producing/purchasing the products a company sells (like materials and production-related salaries).

- **Operating Income:** Gross Profit minus operating expenses

Operating Expenses are costs not directly connected to production (like rent, sales, marketing and HR).

Headcount

vs

FTEs

- **Headcount:** The number of individuals (“heads”) employed, regardless of whether they work part-time or full-time.
- **FTEs (Full Time Equivalent):** A calculation that translates total working hours into the equivalent number of full-time employees (e.g., two half-time workers = 1 FTE).

In Holland, 1 FTE = 228 working days per year (minus public holidays and vacation days), or 1.824 working hours.

Profit & Loss vs Cash Flow

- **P&L:** Shows revenue and expenses over a period ('on paper') profitability.
- **Cash Flow (Statement):** Tracks the actual movement of money in and out.

Takeaway: A company can show a profit but still run out of cash and go bankrupt. Pay attention to both!

Assertiveness

vs

Agressiveness

- **Assertiveness:** Expressing needs in a calm, confident, clear way, while being mindful of others.
- **Agressiveness:** Forcing one's will at the expense of others.

Takeaway: In leadership, assertiveness builds respect; aggression breeds resentment.

Salary vs Benefits

- **Salary:** The amount of money you get that makes up your taxable gross income, usually salary plus bonuses plus vacation allowance.
- **Benefits:** Perks beyond salary (insurance, gym membership, remote working arrangements, pension contributions, snacks, etc.).

Takeaway: Don't forget benefits when comparing roles.

Personal Development Plan

vs

Performance Improvement Plan

- **P.D.P.:** A proactive roadmap for building skills, growing strengths, and achieving career goals, focused on growth.
- **PIP:** A corrective plan designed to address specific performance issues and meet job expectations. Failure to meet the PIP goals could lead to contract termination.

Emotional Intelligence vs Empathy

- **Emotional Intelligence:** the ability to manage both your own emotions and understand the emotions of people around you. **5 key elements:** self-awareness, self-regulation, motivation, social skills and empathy.
- **Empathy:** The ability to understand and share others' feelings, to see things from their perspective.

Psychological Safety

vs

Trust

Psychological Safety: Feeling safe to take risks, speak up, and share ideas without fear of judgment or punishment.

Trust: Confidence in the reliability, integrity, and intentions of others.

Takeaway: Build trust through consistency, integrity and caring about others, and P.S. by being non-judgemental and seeing mistakes as learnings.

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**Ready for
the next
step?**



I offer **1:1 leadership coaching** and **in-company training** to help you or your team lead with confidence.

Let's connect!

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