

Exercise 2-7 - Weighing my risks in starting a business.

1. Imagine that you are starting your business (business from Mind Mapping Exercise or another business in which you are interested). As you look through the list of risks, which make you nervous and which don't?

- 1 = Does not make me nervous.
- 2 = Makes me nervous, but only a little bit.
- 3 = Makes me nervous, not a little, but not a lot.
- 4 = Makes me pretty nervous.
- 5 = Makes me really, really nervous.

| Risk Category | Rating |
|---|--------|
| Uncertain income | |
| Risk of losing investment (going out of business) | |
| Long hours and hard work | |
| Lower quality of life in early years of business | |
| Complete responsibility | |
| Discouragement | |
| Other (list here): | |
| Other (list here): | |

2. Pick your three highest-rated items and write them below in the left column. In the right column, write a "risk mitigation strategy" (That is: Something you can do to lower your risk in this area). Note: The first row is an example of how to do this exercise.

| Risk Category (my highest-rated) | Risk Mitigation Strategy |
|--|---|
| <i>Risk of Losing Investment / Going out of business - I would be afraid to fail and have everyone know that I failed.</i> | <i>1. Do a business plan and do market research to lower my chances of failure. 2. Realize that I will learn a lot no matter what so that even if I fail, I gain knowledge.</i> |
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