

## Risk Assessment Worksheet: Evaluating Entrepreneurship Risks

**Instructions:** For each risk area, assess the severity of the risk and assign a score based on the provided scale. Use this information to determine your overall risk level and develop mitigation strategies.

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### 1. Financial Risks

#### 1.1. Startup Costs

- **Description:** Costs associated with launching the business.
  
- **Assessment Scale:**
  - **1:** Minimal costs with available resources.
  - **2:** Moderate startup costs manageable with planning.
  - **3:** Significant initial investment required.

**Score:** [ ]

**Mitigation Strategy:**

#### 1.2. Cash Flow Management

- **Description:** Managing income and expenses to maintain positive cash flow.
  
- **Assessment Scale:**
  - **1:** Strong cash flow management practices in place.
  - **2:** Manageable with careful planning and monitoring.
  - **3:** Potential for negative cash flow and financial instability.

**Score:** [ ]

- **Mitigation Strategy:**

### 1.3. Financial Stability

- **Description:** Your personal financial situation and its impact on your business.
- **Assessment Scale:**
  - **1:** Strong personal financial stability.
  - **2:** Some personal financial impact, but manageable.
  - **3:** Significant personal financial strain.

Score: [ ]

- **Mitigation Strategy:**

## 2. Market Risks

### 2.1. Market Demand

- **Description:** The demand for your product or service in the market.
- **Assessment Scale:**
  - **1:** High demand with strong market trends.
  - **2:** Moderate demand with potential growth.
  - **3:** Low demand or declining market trends.

Score: [ ]

- **Mitigation Strategy:**

## 2.2. Competition

- **Description:** The level of competition and your ability to differentiate.
- **Assessment Scale:**
  - **1:** Low competition or a unique market position.
  - **2:** Moderate competition with differentiation opportunities.
  - **3:** Highly competitive market with strong rivals.

Score: [ ]

- **Mitigation Strategy:**

## 2.3. Customer Preferences

- **Description:** Changes in customer preferences and behavior.
- **Assessment Scale:**
  - **1:** Stable customer preferences with steady demand.
  - **2:** Some changes, but manageable with adaptation.
  - **3:** Rapidly changing preferences impacting demand.

Score: [ ]

- **Mitigation Strategy:**

### 3. Operational Risks

#### 3.1. Business Operations

- **Description:** Challenges in day-to-day business operations and management.
- **Assessment Scale:**
  - **1:** Smooth and efficient operations.
  - **2:** Manageable operational issues with existing processes.
  - **3:** Significant operational challenges or inefficiencies.

**Score:** [ ]

- **Mitigation Strategy:**

#### 3.2. Supply Chain

- **Description:** Risks related to sourcing materials and supply chain disruptions.

**Assessment Scale:**

- **1:** Stable and reliable supply chain.
- **2:** Occasional issues with manageable impact.
- **3:** Frequent disruptions or unreliable suppliers.

**Score:** [ ]

- **Mitigation Strategy:**

### 3.3. Technology and Infrastructure

- **Description:** Risks related to technology failures or infrastructure issues.

**Assessment Scale:**

- **1:** Robust and reliable technology and infrastructure.
- **2:** Some technology issues with effective solutions.
- **3:** Outdated technology or frequent failures.

**Score:** [ ]

- **Mitigation Strategy:**

## 4. Legal and Regulatory Risks

### 4.1. Compliance

- **Description:** Risks related to complying with legal and regulatory requirements.

- **Assessment Scale:**

- **1:** Clear and straightforward compliance requirements.
- **2:** Manageable compliance with some regulatory concerns.
- **3:** Complex compliance requirements and potential legal issues.

- **Score:** [ ]

- **Mitigation Strategy:**

## 4.2. Intellectual Property

- **Description:** Risks related to protecting your intellectual property and avoiding infringement.
  
- **Assessment Scale:**
  - **1:** Strong protection of intellectual property.
  - **2:** Manageable risk with existing protection measures.
  - **3:** Significant risk of intellectual property theft or infringement.
  
- **Score:** [ ]

**Mitigation Strategy:**

## Risk Assessment Summary

### 1. Total Risk Score Calculation:

Add up the scores from all risk areas: **Total Score:** [ ]

### 2. Risk Level Assessment:

- **8-14:** Low Risk - Your risk level is relatively low, indicating a favorable environment for entrepreneurship.
- **15-22:** Moderate Risk - You face some risks, but with appropriate planning and mitigation strategies, entrepreneurship is feasible.
- **23-30:** High Risk - High level of risk; substantial mitigation strategies and careful consideration are needed before proceeding.

3. **Mitigation Actions:**

- List specific actions you will take to address high and medium risks.

4. **Contingency Planning:**

- Develop contingency plans for potential high-risk scenarios.