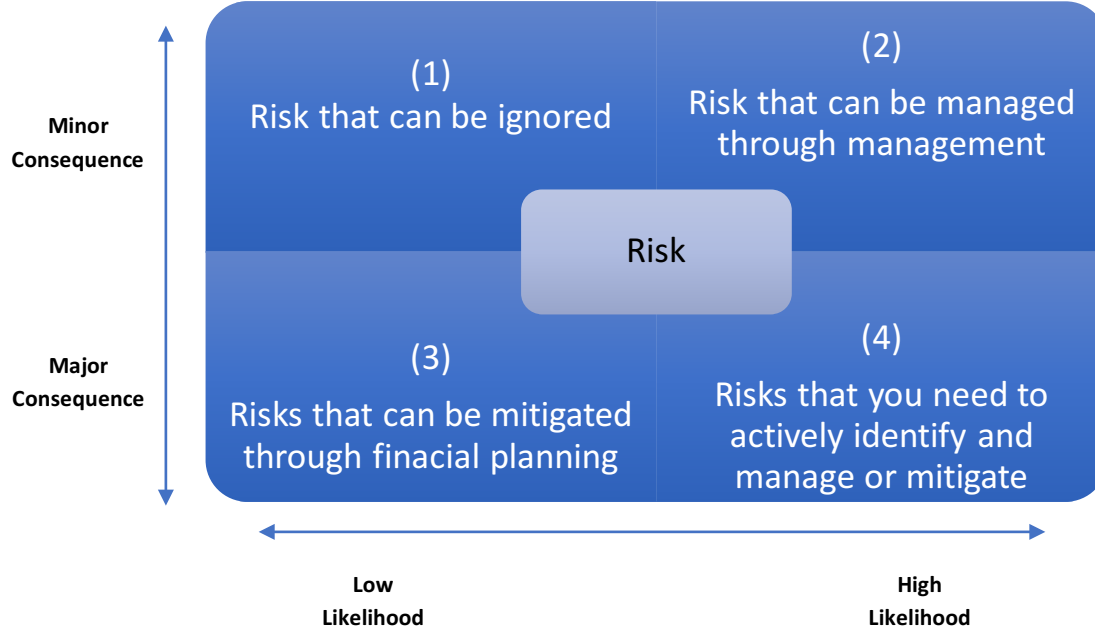


MANAGING RISK



1. These risks are minor annoyances. If they occur, there is little risk to the business.
2. These are nuisances. Things happen, and temporarily set you back, but through planning you can mitigate the damage these risks cause to your business.
3. Financial risks. These are risks that could cause significant damage to your business. Large businesses often use insurance to cover these losses. Smaller businesses or micro-enterprises often cannot afford to insure against some or all losses. Creating a savings account from profits can be a place to draw from, if you experience this kind of loss, and you are not insured.
4. Catastrophic risk. These are the types of risks that can shut down your business, and potentially cause you to lose everything you and others invested.

Try to identify the types of risks that you might encounter for each quadrant. Identify how you might mitigate the risks:

1. _____
2. _____
3. _____
4. _____