

Name:

Date:

Class:

Building Your Business Plan

Activity 6-4: Risk Management

Identify the types of risk you expect to face in your business. Write a risk management plan that shows how you plan to avoid, reduce, transfer, or assume those risks in the first year of operation.

1. List the types of risks your business may face. Include the potential natural, human, economic and political, market, and credit risks.

Answer:

2. Based on the types of risk identified, describe exactly how you plan to avoid, reduce, transfer, or assume each of those risks. This is the foundation of your risk management plan.

Answer:

3. Make a list of the types of insurance you will carry (liability, product, life, worker's compensation, renters, other). Using the Internet, evaluate the costs to carry the insurance policies necessary for your business start-up. If you have actual insurance policies, include them in the Appendices of your business plan.

Answer:

4. Which laws apply to your business? How do you plan to make sure you comply with those laws?

Answer:

5. Determine whether your business will extend or accept credit. If so, outline your credit policies.

Answer: