

# Appetite for Risk—Chily Barkers | Worksheet

Risk Appetite, Operating Expenses, Quality Control

## Venture Vocab

Match the definition in Column A with the term in Column B.

### Column A

- \_\_\_\_\_ Keeping products or services at a high quality.
- \_\_\_\_\_ The amount of risk a business needs to reach a goal.
- \_\_\_\_\_ Fixed costs, like rent, equipment, or insurance.
- \_\_\_\_\_ Remaining money after paying expenses.
- \_\_\_\_\_ Regular costs to keep a business running.

### Column B

- a. Risk Appetite
- b. Operating Expenses
- c. Quality Control
- d. Profit
- e. Overhead

## Startup Scenario

Bella's Mobile Pet Grooming specializes in door-to-door customized pet care as a service business. Bella has been working in this business for about six months and has the following in place:

- She bought a van and invested heavily in grooming equipment.
- She set her prices higher than the average groomer in town.
- To get new clients, she relies mainly on local flyers and referrals.
- Business is steady, but rising gas prices and equipment replacements are starting to eat into her profits.

Analyze Bella's business through the lens of the key terms you've learned. Identify at least one example for each of the following based on her business:

| <u>Risk</u> | <u>Operating Expenses</u> | <u>Overhead</u> |
|-------------|---------------------------|-----------------|
|             |                           |                 |

Suggest one quality control strategy Bella should use to keep her customers happy:

What are two things Bella could do to protect her profit even as expenses rise?

## Future CEO

Imagine you're the CEO of your own small business — it could be a food truck, a tutoring service, a car detailing company, a craft shop, or something entirely your own.

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Using what you learned in today's lesson, write a detailed paragraph that answers the following questions:

- What is your business, and what product or service do you offer?
- What is one risk you're willing to take, and why?
- What are two operating expenses your business will have?
- What is one thing you'll do to maintain quality control?
- How will managing these areas help your business succeed?

Write at least 6–8 complete sentences.

## Answer Key

### Venture Vocab

Match the definition in Column A with the term in Column B.

#### Column A

- c. Keeping products or services at a high quality.
- a. The amount of risk a business needs to reach a goal.
- e. Fixed costs, like rent, equipment, or insurance.
- d. Remaining money after paying expenses.
- b. Regular costs to keep a business running.

#### Column B

- a. Risk Appetite
- b. Operating Expenses
- c. Quality Control
- d. Profit
- e. Overhead

### Startup Scenario

*Student answers may vary and still be valid as long as they correctly apply the vocabulary and reasoning. The following are some ideas, based on the show content and inductive reasoning.*

| <u>Risk</u>   | <u>Operating Expenses</u>  | <u>Overhead</u>   |
|---|--|---|
| <ul style="list-style-type: none"><li>Investing in a van and grooming equipment</li><li>Setting high prices</li><li>Relying on flyers</li></ul> | <ul style="list-style-type: none"><li>Gas for van</li><li>shampoo and grooming tools</li><li>minor equipment repairs or replacements</li></ul> | <ul style="list-style-type: none"><li>Cost of van or other high-priced equipment</li><li>business licensing</li><li>insurance for van</li></ul> |

Suggest one quality control strategy Bella should use to keep her customers happy: **Bella could create a grooming checklist to ensure every pet receives the same consistent process for care and cleanliness.**

What are two things Bella could do to protect her profit even as expenses rise? **Bella could offer package deals, like shampoo and clipping for three months. She could try to reduce gas use by booking appointments in the same neighborhood. She could switch to social media for better reach and lower cost.**

### Future CEO

Using what you learned in today's lesson, write a detailed paragraph that answers the following questions:

- What is your business, and what product or service do you offer?
- What is one risk you're willing to take, and why?
- What are two operating expenses your business will have?
- What is one thing you'll do to maintain quality control?
- How will managing these areas help your business succeed?

Write at least 6–8 complete sentences.

Example Student Response:

My business would be a mobile car detailing service called Shine On Wheels. I would travel to people's homes or offices and clean their cars inside and out. A risk I'm willing to take is investing in high-end cleaning equipment, even though I might not make back the money right away. Two operating expenses I'd need to manage are cleaning supplies like soap, wax, and towels, and gas for my vehicle. To maintain quality control, I would follow a detailed checklist for every service and send follow-up texts asking for customer feedback. Managing my expenses will help me stay profitable, and quality control will help me build a good reputation and get repeat customers. By keeping my service consistent and controlling costs, I believe my business could grow quickly.

Guidance for grading:

- ☐ **Business Concept:** Clearly describes a small business idea and what it offers.
- ☐ **Risk:** Identifies one real business risk and gives reasoning.
- ☐ **Operating Expenses:** Names at least two relevant, realistic operating costs.
- ☐ **Quality Control:** Describes one specific, thoughtful method to ensure consistency.
- ☐ **Reflection and Clarity:** Explains how managing risk, expenses, and quality helps the business succeed; writing is clear and complete.