

SAFA Entrepreneurial Lesson

Risks to financial sustainability

There are always risks!

For context, let's take a look at the exact definition of an entrepreneur: A person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so.

Notice the part about taking financial risks. Some financial risks are avoidable, but some are not.

In this lesson, we will teach some common risks to financial sustainability, which is important for you to know about in order to run your company.

Types of financial risks

To start watch the following video



Activity Time!

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In your entrepreneur journal, write down why people still become entrepreneurs knowing that there are risks involved?

Also, some key things to recognize:

1. Remember the concept of an unprofitable problem? This comes back here as trying to make a product for an unprofitable problem is a financial risk as there is no demand for your innovation.
2. Having some setbacks doesn't make you a bad entrepreneur. After all, failure opens up new opportunities to learn from previous mistakes.