Risk Involved in your Business and how it affects you by Mark Bennett

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Last week, I was watching a movie from the channel service offered by Dish TV Packages. In the movie, the protagonist says that â€˜A life without risk is like no life at allâ€™. It seems to be true, but if you are a businessman risk can be your biggest nightmares.

Risk is inherited in every business. There canâ€™t be any business which does not have risk involved in it. One thing you ought to know is that repeated and successful risk takers go in with their eyes open, measure the risk and understand exactly what they have to do before they take the plunge. Among them could be the high level managers and bosses. It doesn't mean that they are great risk taker and avoiders. Some people manage risk better than others and clearly the more they know about the circumstances, the less risks they will take. In the case of the top level managers and bosses, they can take risk with big wins as they know that behind them is a huge team.

This team consists of people who research, check, and tends to the basic. This leaves the Captain (since the person guides the organization, which you may think is quite exaggerating) to look like a maverick risk taker and genius. He or she would be minimizing the risk and jumping in only after checking and double checking and lots due to diligence.

If you are a businessman, you seriously wonâ€™t have this luxury. Since it is your business and you have to keep an eye looking over your shoulder and pay detailed attention to the issues all around you at the same time. Frankly, one tends to the basic unless you do. You need to think of the various angles and scenarios of how risk can come and what effect it has. Okay it can be easy to ignore the risk as they could be outside your experience , but failing to see them can be highly critical and will have an adverse effect on your business. Some basic risks in your business are more obvious than others and always you need to lookout for these risks. Try to deal with the ones that you take the most often and leave the real risk taking in areas that you really know about.

Some of the potential risk that you could come across in your business is not having enforceable terms and conditions with your client. In some cases it could also be not having any terms of business at all. Also you may not regularly check for existing client base for adverse information or changes in their status. Even not knowing the exact name or registered name of the client could be a great risk that could potentially harm you. In case you have a joint-venture or partnership concern, there could be risk in not having a clear agreement with your partners and Co-Directors.

Many of the businessmen make the basic mistake of failing to set their business up in the right and exact way. This will naturally affect you as the benefit which you wanted will become late and sometimes you may never get it. Sometimes you could also inherit risk when you don't have a proper contract of employment handbook. It can be a serious risk as without having a proper employee code of conduct, there are chances your employeesâ€™ terms and conditions will become invalid. It is even a risk when you don't check the credit worthiness before you sell goods and services. Whenever you are selling commodities you always have to check the credit worthiness in case if it is a new client.

In short, risk is there in every business. You need to try to find ways and means to minimize this risk. As risk cannot be averted or turned away, making sure that the risk doesnâ€™t affect you in a grievous way should be your main concern.

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