



# Entrepreneurial skills

WORST CASE SCENARIO



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## WORST CASE SCENARIO

**Time:** min. 2 hours

### **Goal:**

This exercise will help you by identifying risks and challenges which may occur when starting a new business. By implementing the activities explained here you will develop a mindset open to accepting risk, but at the same time you will build the ability to properly assess the risks and challenges associated with starting a new business or job. The Worst-Case Scenario exercise consists of realistically simulating all possible risks and difficulties of a new business, facing them, and finding solutions step by step.

The specific goals of this exercise are:

- Identify and anticipate potential risks and challenges
- Strengthening adaptability and resilience
- Improve decision making
- Foster creativity

### **Instructions:**

#### **Step 1: Set up your business idea**

First, try to get as clear an idea of your business as possible and its various components. We recommend that you do some preliminary research in this regard in case it is your first time. In particular, carefully consider and take note of:

- Product or service that is the subject of your business. What are you going to sell?
- Your target audience. What is the profile of your customers and their geographical distribution?
- Sale and marketing strategy. How will you reach your potential customers?
- Start-up capital, i.e., how much you could/would like to invest. What are the minimum resources required?



- Methods of production and distribution, and associated costs. Will you be the producer, or will you contract out the production? What may be the methods of distribution (even in the case of online products or services)?
- Will you initially develop your business on your own, will you need to hire staff right away? Do you plan to have business partners?
- Time management: How much time do you realistically have to develop your idea? Will you develop it e.g. in parallel with another job?

## **Step 2: Develop a business plan**

After developing your idea according to the steps, we have described and after doing the necessary research for e.g., market trends, costs, legal requirements, etc., come up with a simple marketing plan.

- Brief description of your business idea and why it could be successful
- Product or service
- Organization and roles
- Market analysis
- Funding needed
- Expected revenues within a certain time frame (e.g., one or two years)

## **Step 3: Worst-Case Scenario**

In this activity you return to your analysis done earlier. For each step on the list, imagine everything that could go wrong and try to come up with as many solutions and alternatives as possible for each worst-case scenario.

Examples:

You find that your product fails to sell. What solutions or alternatives can you consider? Is the product unattractive in the marketplace? Is the marketing strategy not working?



You are getting bad reviews from your customers, and this is causing sales to drop dramatically. How do you react to this situation? What elements should you analyse to figure out how to regain customers' trust?

You realize that the initial capital invested is not enough to support the company's expenses during the first year. What alternatives can you find?

The delivery service is unreliable. What steps can you take to solve it quickly?

These are just a few examples of situations that can happen. Starting with your business idea, try to analyse all possible situations, possibly looking for more than one solution for each scenario.

At the end, make a detailed list of scenarios and possible solutions and alternatives. We always recommend doing extensive research for each situation.

You can also help yourself with the diagram below:

	Problem/Critical situation	Proposed solution	Notes
Category			
Sales			
Shipping and delivery			
Marketing			
Staff			
Budget			
Item 7			
Item 8			
Item 9			

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