

Appetite for Risk–Chily Barkers | Lesson Plan

How do entrepreneurs balance risk, cost, and quality to build a successful business?

Students will learn that successful entrepreneurs must balance risk, manage operating costs, and ensure consistent quality to sustain and grow their business.

Learning Objectives:

- Define the key terms: risk appetite, operating expenses, and quality control.
- Analyze the role of risk-taking in entrepreneurship.
- Evaluate how managing expenses impacts profitability.
- Describe how maintaining product consistency contributes to customer satisfaction and business success.

Key Vocabulary:

- **Risk Appetite:** The amount of risk a business is willing to take in pursuit of its goals.
- **Operating Expenses:** The regular, ongoing costs of running a business.
- **Quality Control:** The process of ensuring products meet consistent standards.
- **Profit:** The money a business makes after subtracting expenses.
- **Overhead:** The fixed costs of operating a business, such as rent or equipment.

Educational Standards: CCSS Math Practice Standards: MP1, MP4;
CCRA Anchor Standards: CCRA.R.7; CCRA.W.2, CCRA.W.4, CCRA.W.7

Academic Subjects: Entrepreneurship, American Values, Small Business

What You'll Need

- Video: *The Hustle: Appetite for Risk–Chily Barkers* (Watch [Here](#))
- Worksheet: *The Hustle: Appetite for Risk–Chily Barkers* (Click [Here](#))

Lesson Plan (45 mins.)

Warm-Up: (15 mins.)

1. Begin by introducing the concept of **risk**. Explain that entrepreneurs must make decisions where the outcome is uncertain, and how their **risk appetite** shapes their choices. Write these risky situations on the board and ask students to rate them 1 to 5, with 1 being terrible, don't do it, and 5 being a good risk that is worth taking.
 - Asking someone out who probably likes you.
 - Trying out for a sport you haven't played.
 - Going to a restaurant with food you haven't tried.



- Cheating on a test you didn't study for.
 - Spending all your lunch money on trading cards.
2. Discuss the students' ratings and why they rated them the way they did. Guide them to consider potential rewards versus consequences for these scenarios.
 3. Present the following real-world business scenario to the students: You've mowed lawns for a neighbor for years. It's good side money, and one day another neighbor asks if you'd mow their lawn too.
Thinking there might be something to this, you ask your parents if you can borrow money to buy a better, gasoline-powered lawnmower and start going door-to-door to drum up more business.
They agree — but you have to repay the loan in three months. You have a little saved up from your allowance, but not enough to cover the loan fully yet.
 4. Ask students these questions:
 - Is this loan from your parents a risk you would take? Why or why not?
 - Name two reasons why this risk might not work out.
 - Name two reasons why this risk might be worth it.
 5. Write the following key vocabulary terms on the board. As you introduce each one, connect it back to the lawn mowing business scenario they just discussed.
 - **Risk Appetite:** The amount of risk a business is willing to take in pursuit of its goals.
 - Example: The lawn mowing business above is a great example. The entrepreneur wants to expand but must borrow money, taking a risk that they can pay it back by getting enough new customers.
 - **Operating Expenses:** The regular, ongoing costs of running a business.
 - Example: In our scenario, possibly buying gas for the mower, fixing the mower if it breaks, and maybe printing flyers to advertise.
 - **Quality Control:** The process of ensuring products meet consistent standards.
 - Example: For the lawn mower business, that means taking the time to make sure the lawns are mowed well, not rushing through and leaving unmowed patches or a mess. Quality control means making sure every job meets the same excellent standards.
 - **Profit:** The money a business makes after subtracting expenses.
 - Example: If the entrepreneur earns \$50 mowing a lawn, but spends \$5 on gas, the profit for that job is \$45.
 - **Overhead:** The fixed costs of operating a business, such as rent or equipment.
 - Example: The loan payment for the higher-end new lawnmower is overhead.
Whether the entrepreneur mows one lawn or ten lawns that week, the mower still has to be paid off.
 6. Distribute *the La'Rell Wysinger—Chily Barkers Worksheet*, and review the instructions as a class. Instruct the students to complete the **Venture Vocab** section as they watch the video.
 7. Watch the video.

Work-Out: (20 mins.)

1. After the video, lead a structured debrief discussion that covers all the key concepts. Ask the following questions to guide student thinking:
 - Risks La'Rell Took: What were some major risks Ra'Rell took to grow his business? How did he handle those risks that didn't turn out the way he hoped?
 - Managing Operating Expenses: What are some examples of operating expenses La'Rell had to manage when running Chily Barkers? How did controlling (or not controlling) his expenses affect his profits?
 - Importance of Quality Control: Why do you think La'Rell focused so much on making sure every plate of food looked and tasted the same? How does quality control help a business succeed?
 - Profit & Overhead: What were some examples of La'Rell's overhead costs? How do overhead costs impact a small business owner's ability to make a profit?
2. Give the students time to complete the worksheet either individually or in collaboration. Offer support and insights where necessary.

Wrap-Up: (10 mins.)

1. Review the **Startup Scenario** section of the worksheet as a class. Lead a brief discussion reviewing Bella's Mobile Pet Grooming scenario. Ask students to share their examples for risk, operating expenses, and overhead.
2. Invite a few students or small groups to share their **Future CEO** paragraph ideas.
3. Consider collecting the completed worksheet as a formative assessment to gauge understanding and engagement with the lesson's content.

Cash Course Companions for these concepts:

[Manage Your Financial Hygiene](#)

[Profits & Losses: The Hidden Signal](#)

[What Is a Budget?](#)

[Different Ways to Budget](#)

[Good vs. Bad Credit](#)

[Becoming a Business](#)

Suggested Use:

- Add 1-2 videos as optional homework or blended learning assignments

Don't have time for the full lesson? Quick Activity (15 mins.)

Watch the video and distribute the worksheet for homework or as a project. Alternatively, have students watch the video, complete the worksheet at home, and discuss it in class the next day.