

Venture Vocab

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

Column A

- _____ Self-funding a business startup.
- _____ Strategically embracing uncertainty.
- _____ Ability to grow without losing efficiency.
- _____ Assets and inputs used in business operations.
- _____ Employees contributing to business success.

Column B

- a. Scalability
- b. Risk-taking
- c. Resources
- d. Personnel
- e. Bootstrapping

Startup Scenario

Your pool cleaning business is booming, and you're now cleaning four pools weekly at \$150 each. Supplies and materials run you about \$50 on average per pool. Cleaning a pool takes 2-3 hours, but hiring help could speed this up. It's time to scale your business, handle more clients, and increase profits. Develop a business expansion plan, considering the risks and benefits of hiring two employees. Research and outline how this step could grow your business.

Considerations for your plan:

- Employee roles and responsibilities and your tasks during their work.
- Expectations from employees.
- Pay structure: Hourly, salary, commission? How much do your employees get paid?
- Potential increase in pool cleaning capacity weekly and monthly.
- Profit projections, factoring in employee pay and material costs.

Will hiring these employees be a good business decision? Conclude how these hires could enable business scaling or result in lost profits.

Entrepreneurial Insight

Reflect on Max's journey with Dirt & Grime, focusing on risk-taking. In a detailed paragraph, explore both the positive outcomes and potential drawbacks of Max's strategic risks. Discuss instances where Max's decisions to invest presented both opportunities for growth and challenges. Consider the possible negative consequences of these risks, such as financial strain or overexpansion. Use specific examples to analyze how Max navigated these risks and what the outcomes teach about the balance needed in entrepreneurial risk-taking.



Answer Key

Venture Vocab

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

Column A

- e. Self-funding a business startup.
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- c. Assets and inputs used in business operations.
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Column B

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Startup Scenario

Responses may vary but should include some or all of these ideas.

Current Numbers	Weekly Income: 4 pools x \$150 each = \$600. Weekly Costs (Materials): 4 pools x \$50 each = \$200. Net Income per Week: \$600 - \$200 = \$400.
Roles & Responsibilities	Employee 1: Pool cleaning, vacuuming, chemical balancing. Employee 2: Skimming, brushing, equipment check. Your Role: Supervising, client relations, business management.
Expectations from Employees	Timeliness, efficiency, quality of work. Professional interaction with clients. Accurate handling/reporting of supplies and equipment.
Pay Structure	Hourly rate: \$20/hr. With assistance, increase weekly pool cleaning to 12 pools, 1.5 hours per pool.
Profit Projections	Weekly Income (12 Pools): \$1,800. Material Costs: \$600. Employee Costs: \$720 (12 pools). Net Weekly Income: \$480.

Hiring two employees slightly increases weekly profits and demands more management, but it offers potential for future business growth and higher profits. The success of this expansion hinges on balancing operational costs and increasing the client base.

Future CEO's Insight

Responses may vary but should include some or all of these ideas.

Max's strategic risk-taking in investing \$50,000 in Dirt & Grime's equipment significantly boosted business growth but also risked financial strain and overexpansion. This bold move, while enhancing operational capacity and revenue, could have led to difficulties if market demand didn't match expectations. Max's experience highlights the delicate balance in entrepreneurship between taking calculated risks for growth and being mindful of their potential negative impacts.