

Good Stuff

What's the upside risk?

If this succeeds, what would you get? Money? Fame? Fast cars? Attractive members of your preferred sex volunteering to clean your house?

What's the size of the upside risk?

If this took off like you secretly hope for, if everything went right and you were an overnight success, how much of that awesome stuff would you get? Hundreds of dollars? Hundreds of thousands of dollars? Your name known in every household in your town? Your country? The world?

Bad Stuff

What's the downside risk?

If it all goes to heck in a handbasket, if Murphy steps in and your worst nightmares come true, what do you stand to lose? Money? Time? Reputation?

What's the size of the downside risk?

Whatever you stand to lose, how much do you stand to lose? Usually this is your initial investment: if it will take you \$100 to start this business, and you'll be able to tell by the end of the month whether it will succeed, then you stand to lose \$100, a month, and the respect of all your so-called friends who are lining up to say "I told you so".

Money		Money	
Fame		Reputation	
Free Time		Free Time	
Fast Cars		Fast cars	
Probability of Success:	High	Medium	Low
Probability of Failure:	High	Medium	Low

Current Stuff

Finally, what will happen if you don't take this risk at all? What if you let sleeping dragons lie, ignore this opportunity, and continue with your life as it is right now? Whatever units you used for your upside/downside risk (dollars, days, hot chicks/hunks), express the status quo in those units. How much money will you have if you continue with this job/ don't start a business/ buy apple products instead of apple stock? How much free time do you currently have?

Scoring Guide:

Downside is much bigger than upside and below status quo:

Don't be stupid. This is a dumb risk

Downside and upside are similar:

Check probabilities; do you feel lucky?

Upside is much bigger than downside and above status quo:

Don't be a wuss. This is a great opportunity