Risk and Refreshment

See how one entrepreneur develops a service while managing risk.

SS5E3.c “Describe how entrepreneurs take risks to develop new goods and services to start a business.”

NAME ____________________ DATE __________

1 READ AND MARK

Read it twice

YOUR JOB Circle each possible loss Jordan faces, and underline the new service Jordan plans to offer. Number the three choices Jordan makes to lower risk 1, 2, and 3 in the order they appear in the passage.

Jordan's Fruit-Water Cart

1 Jordan noticed that families at the Saturday soccer field waited in a long line for cold drinks. Jordan thought a bicycle cart could bring chilled fruit water to people near their seats. This service might save customers time. To start the business, Jordan would need a cart, a cooler, cups, fruit, and permission from the field manager.

2 Jordan knew the idea involved risk. The cart and supplies would cost money before any sales happened. Rain, fewer games, or another drink seller could leave Jordan with unsold fruit water. Jordan could also spend time preparing drinks and still earn less money than expected. An entrepreneur accepts such possible losses while trying to create a new good or service.

3 Before opening, Jordan asked the manager which game days were busiest. Jordan began with one cooler instead of buying a large cart. Jordan also tested two fruit-water flavors at a neighborhood event and asked customers which flavor they would buy. These choices did not guarantee success, but they helped Jordan learn about demand and limit possible losses. If sales grew, Jordan could add more supplies and serve more families.

2 ANSWER WITH EVIDENCE

Use the passage

1. What new service does Jordan plan to offer, and how could it help customers?

2. Name exactly two things Jordan would need to buy or get before making sales.

3. Describe one possible loss or problem Jordan could face if the business does not go as planned.

4. How did testing fruit-water flavors help Jordan lower risk?

3 YOUR TURN

Your own words

Invent a business that offers a new good or service. Write exactly three sentences: name the good or service, explain one risk, and describe two choices the entrepreneur could make to lower that risk.

PART 1 · READ AND MARK

Circle each possible loss Jordan faces, and underline the new service Jordan plans to offer. Number the three choices Jordan makes to lower risk 1, 2, and 3 in the order they appear in the passage. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What new service does Jordan plan to offer, and how could it help customers?	**Jordan plans to bring chilled fruit water to people near their seats. This could save customers time because they would not need to wait in the long drink line.**
2	Name exactly two things Jordan would need to buy or get before making sales.	**A cart and a cooler.**
3	Describe one possible loss or problem Jordan could face if the business does not go as planned.	**Jordan could have unsold fruit water after rain, fewer games, or competition from another drink seller.**
4	How did testing fruit-water flavors help Jordan lower risk?	**It helped Jordan learn which flavor customers would buy before investing in more supplies.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Maya plans a homework-help text service that sends families short math tips. She risks spending money on a website before enough families subscribe. She will ask ten families what tips they need and begin with a free one-week trial.

Accept answers that accurately use details from the passage. For Your Turn, accept a reasonable new good or service, one realistic possible loss, and two actions that could reduce risk without guaranteeing success.