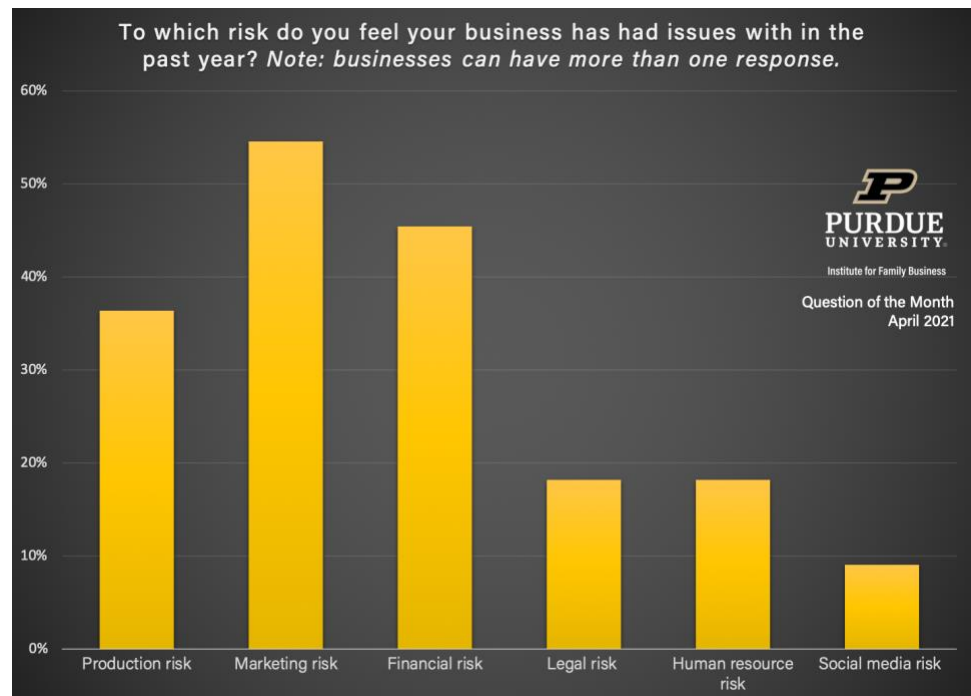


Business Exposure to Risk and Risk Mitigation

Businesses can be exposed to a number of risks, including:

- Production risk (ex: weather event ruining product/crops)
- Marketing risk (ex: price of your commodity falling drastically)
- Financial risk (ex: losing customers, cash flow problems)
- Legal risk (ex: getting sued by a customer)
- Human resource risk (ex: employees taking leaves)
- Social media risk (ex: employee posting controversial material)

Every business is different; business size and industry can have a big effect as to which risks businesses are exposed. Thus, we asked businesses in our April Question of the Month to which risks they feel their business had an issue with in the past year (they could choose more than one). Marketing risk was the front runner, with over half of businesses encountering an issue with marketing risks in the past year. Following closely behind marketing risk were financial risk and production risk, respectively.



If a family business feels exposed to risk, a natural response would be to pre-emptively mitigate, avoid, or otherwise reduce that risk. We also asked family businesses that if they had a proper plan in place, would any effects from these risks be minimized or avoided. Only 18% of businesses thought that proper planning could have minimized/avoided these risks, whereas 73% thought that risks could be somewhat minimized/avoided with proper planning, and 9% did not have substantial effects from risk. Our May question inquires about employees and owners who are relatives.

Don't miss out on our [latest newsletter](#), which includes social media policies, succession planning as a competitive advantage, small business relationships with community banks, and work and life harmony. PIFB has released some videos as part of a Family Business Video Series, available on [our YouTube channel](#). As always, we will continue to post resources and webinars for farm, family, and small businesses to our [PIFB Homepage](#) and our [Upcoming Events page](#) as they become available.

Click [here](#) to participate in the new **MAY** question of the month!
Don't miss out on PIFB's next newsletter – [SUBSCRIBE HERE!](#)