



# Making Your First Hire

## Cash Flow Planning

### What is Risk Appetite?

Setting risk appetite in hiring" means defining the **level of risk** a company is willing to take when recruiting new employees,



essentially determining how much uncertainty they are comfortable with regarding a candidate's potential fit, experience, or qualifications, **balancing the need for immediate results with the potential downsides of hiring someone who might not fully meet the requirements**

### Setting Your Risk Appetite



**Alignment with Business Goals** - the level of risk a company is willing to take helps align hiring practices with overall business objectives.



**Mitigating turnover**- minimises the chances of hiring individuals who may not meet the company's expectations or who may be ill-suited for the role.



**Cultural Fit** -helps identify candidates who not only have the right skills but also fit well within the company's culture.



**Innovation vs Stability** - Companies aiming for innovation may take risks in hiring unconventional candidates, while those seeking stability may prefer traditional backgrounds.



**Resource Allocation** -aids in allocating resources effectively during the hiring process.



**Long-term Strategy** - helps in making long-term hiring strategies, ensuring that the organization is prepared for future challenges and opportunities

### The Risk-Taker

#### Pros

Faster Growth Potential

Innovative Edge

First-Mover Advantage

#### Cons

High Failure Risk

Financial Instability

Higher Stress

### Being Risk-Averse

#### Pros

Financial Safety

Steady Growth

Lower Stress

#### Cons

Missed Opportunities

Inability to Pivot Quickly