Team Challenge of Risk & Reward

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The Objective

• Deliver an experiential and efficient means for entrepreneurial students to live a risk-reward scenario in the classroom
  – Real rewards
  – True consequences
  – Active team decision-making

• Extend beyond typical risk-reward education
  – Reading about entrepreneurs and companies
    • Lacks experiential element and emotional involvement
  – Starting new ventures
    • Requires idea, financial capital, strategic planning, etc.
The 6-Step Risk-Reward Challenge

1. Students are presented with a specific challenge related to the course topic. For example,
   - *Entrepreneurial Opportunities*: How can Blockbuster, Inc. improve their competitiveness in the evolving media market?
   - *Product Development*: What is the best method to water trees planted within city sidewalks?

2. Individual idea generation
   - 5 minutes working individually with what they know solely from their own experiences (with no added materials, no web access, & no peer discussion) to write their solution on 1 page

3. Team idea generation
   - 10 minutes working in groups of 3 to share ideas; then develop the best combination, enhancement, or new solution as a team
The 6-Step Risk-Reward Challenge (continued)

4. Invitation to compete for a 100% grade (e.g., quiz, participation) as a REWARD
   • 5 minutes to refine the concept and select a team presenter
   • Winning team will be selected by class vote. Students are not allowed to vote for their own team.

5. Introduction of a RISK element, with a chance for 100% or 0% as the TEAM grade
   • Teams allowed to choose not to present once the risk is introduced, thereby making a nothing ventured, nothing gained decision. Non-presenting teams still vote on winners.
   • For a team to compete for the 100%, all team members must agree to compete. 2 minutes to decide to compete or not.

6. Competing teams make 1 minute pitches; & class votes
Learning Objectives
Risk-Reward Understanding & Critical Thinking

• Promotes problem-solving abilities
  – Individual and team analysis required in real-time with limited information and competitive dynamic

• Integrates theory into practice
  – Concept of risk and reward lived and reinforced

• Reveals how students can solve problems, not just arrive at the final answer
  – Student feedback emphasizes value of teaming

• Promotes dealing with ambiguity
  – The rules of the challenge & team dynamic evolves
Theoretical Foundations and Student Feedback

• Enhances student understanding of risk theory
  – Student *self assessments of risk* are revisited

• Provides a context for learning and enhancing retention and meaning of risk management
  – *Benefits of teaming* are reinforced, as are the pros and cons of *risk acceptance*

• Applicable to multiple academic fields (Finance, Marketing, etc.)
  – Six-step risk-reward exercise is applicable to a broad set of problems in many fields
  – Also applicable for undergraduates and graduates
Summary & Replication

- Through the 6-Step Risk-Reward Challenge, students learn to develop creative ideas individually, experience the benefits of teaming, and engage in a real-life lesson in risk acceptance and management tied to their grade in the course.
- Requires approximately 30 minutes of class time, and no financial cost to university/students.
- Replicable to any entrepreneurial classroom where specific problems can be presented on familiar, albeit complex, topics.