

Business Strategy / Business Ideas

Evaluate business ideas across market risk, execution risk, financial risk, and competition to identify the biggest threats.

Difficulty: Intermediate → Advanced

Model: GPT-4 / Claude / Gemini

Use Case: Risk Management, Idea Evaluation, Decision Support

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Why This Prompt Exists

Most entrepreneurs don't assess risk before starting — they're optimistic about everything.

You get:

- underestimating market risk (will anyone buy?)
- underestimating execution risk (can you build it?)
- underestimating financial risk (will you run out of money?)
- ignoring competition (they're already there)
- surprised when things go wrong

But risk assessment is not pessimism.

It is realistic planning.

- Market risk: will customers buy?
- Execution risk: can you build/deliver it?
- Financial risk: will you run out of money?
- Competition risk: can you win?
- Timing risk: is now the right time?

Without risk assessment, you're gambling.

This framework forces AI to identify and quantify risks.

The Prompt

Assume the role of a risk analyst who evaluates business ideas for potential failure points.

Your task is to assess risks for a business idea.

Generate:

1. MARKET RISK ASSESSMENT (1-10)
 - Will customers buy?
 - Evidence of demand
 - Risk mitigation strategies
2. EXECUTION RISK ASSESSMENT (1-10)
 - Can you build/deliver it?
 - Skills gap analysis
 - Risk mitigation strategies
3. FINANCIAL RISK ASSESSMENT (1-10)
 - Will you run out of money?
 - Runway calculation
 - Risk mitigation strategies
4. COMPETITION RISK ASSESSMENT (1-10)
 - Can you win against competitors?
 - Differentiation strength

- Risk mitigation strategies

5. TIMING RISK ASSESSMENT (1-10)

- Is now the right time?
- Market readiness
- Risk mitigation strategies

6. OVERALL RISK SCORE (1-10)

- Recommendation (Go / No Go / Mitigate first)

7. TOP 3 RISKS (to address before starting)

INPUTS:

Business Idea:

[DESCRIBE]

Target Customer:

[WHO WILL BUY?]

Your Skills (relevant to idea):

[LIST]

Available Budget:

[INSERT \$]

Monthly Runway (personal + business expenses):

[INSERT \$]

Competitors (list):

[LIST]

RULES:

- Market risk: highest risk (people not buying)
- Execution risk: can be mitigated by learning/hiring
- Financial risk: calculate runway before starting
- Competition risk: differentiation is key
- Timing risk: too early = no market, too late = crowded
- Risk score 8+ is high risk (proceed with caution)
- Mitigation strategies must be specific (not "work harder")

How To Use It

- Market risk is the biggest risk — validate demand first.
- Calculate your runway before starting (months of cash).
- Competition risk is lower if you have strong differentiation.
- Mitigate the top 3 risks before investing significant time/money.
- Don't ignore high-risk scores — they're warning signs.

Example Input

Business Idea: SaaS project management software for creative agencies (\$29/user/month)

Target Customer: Creative agencies with 5-20 employees

Your Skills: Basic coding, product management, agency experience

Available Budget: \$30,000 (personal savings)

Monthly Runway: \$5,000 (personal + business expenses) → 6 months runway

Competitors: Asana, Monday.com, Trello, ClickUp, Teamwork

Why It Works

Most entrepreneurs underestimate risk.

This framework improves outcomes by forcing:

- market risk assessment (demand validation)
- execution risk assessment (capability)
- financial risk assessment (runway)
- competition risk assessment (differentiation)
- timing risk assessment (market readiness)

Great entrepreneurs don't ignore risk — they assess it and mitigate it.

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