

“How to Take the Risk Out of the Game – Controlling the Risk/Reward Curve Drives Bottom-Line Success”

FreshAddress co-founder and CEO, Bill Kaplan, was the founder and leader of the MIT Blackjack Team that took Vegas for millions and inspired the movie *21* and the national bestseller, *Bringing Down the House*. At DMA09, Bill shared his incredible experiences to illustrate how the business and risk management principles utilized to grow and manage his blackjack team can be applied successfully to grow and run any business.

To discover how to maximize your business performance while minimizing your risk, keep reading

Quick Facts about the MIT Blackjack Team

- Nearly 80 players at its peak from leading colleges (e.g. Harvard, MIT, Princeton, NYU, University of Chicago, Stanford, etc.) and companies (e.g. Kodak, Microsoft, NASA's Jet Propulsion Lab, etc.)
- Up to 35 players on any given weekend playing blackjack in 5-10 locations around the world
- All partnerships, over 25 in toto, profitable over two decades, the 80's and 90's
- Player earnings ranged from \$80/hour to \$500+/hour
- Investors' ROI averaged 100% annually
- Bill is much better looking than Kevin Spacey

Make Risk Management Your #1 Priority

As someone who studied applied math, computer science, and economics in school, Bill's view of the world is simple: “Life, business, everything you do, every decision you make – it's all about risk and reward!”

We all know that economic forces dictate that for every opportunity “the higher the risk, the higher the reward.” Take a look at the following chart of a typical risk/reward curve.

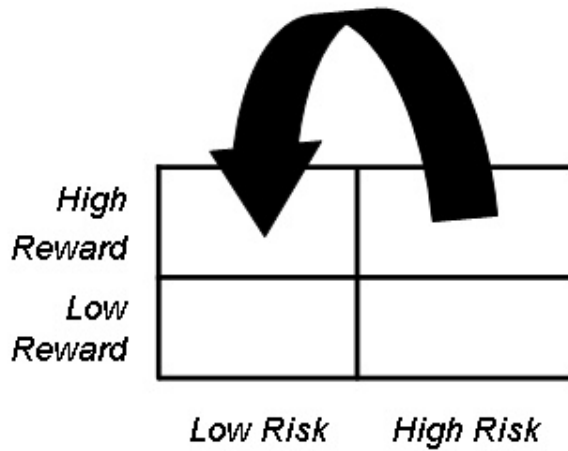


Bill proposes that if you want to “take the risk out of the game,” you need to make risk management your #1 priority as you evaluate your business, your cost structure, and your investment decisions. Look at every decision through the lens of a risk/reward equation, identify the risk components, and figure out a way to mitigate these risks.

Your business’s success lies in analyzing and seeking out opportunities where you can re-jigger your risk/reward equation so that you can lower the risk for yourself while the market determined reward remains the same. If you can accomplish this, you can achieve unparalleled returns on your investments with a minimum of risk.

A simple framework for evaluating risk/reward scenarios

The following framework should help you better visualize your goal.



The game on paper looks easy - move opportunities from the High Risk/High Reward quadrant to the Low Risk/High Reward quadrant.

Interested in learning how? Watch for our next monthly issue of Fresh Perspectives for Bill’s five steps to help you control your risk/reward curve to drive your bottom line success.