

STANFORD FINANCE

MODULE 3 OF 4

RISK ISN'T SOMETHING TO AVOID. IT'S SOMETHING TO UNDERSTAND.

The most important lesson from Module 3.

The best leaders don't
eliminate risk.
They learn how to price it.

DENIZ CALISKAN

Finance translated into plain English.

STANFORD EXECUTIVE EDUCATION

WHERE IT STARTS

EVERY BUSINESS HAS MORE IDEAS THAN MONEY.

So the question leaders face constantly is: of all the things we could invest in, which ones are actually worth it?

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Finance translated into plain English.

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THE CORE QUESTION

WILL THIS CREATE MORE VALUE THAN IT COSTS?

Every decision is that one comparison — remembering future money is worth less than today's.

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Finance translated into plain English.

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THE RULE TO REMEMBER

RISK AND RETURN TRAVEL TOGETHER.

A high return with “no risk” is the thing to **distrust most**.

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THE DISCIPLINE THAT SAVES MONEY

SUNK COSTS DON'T COUNT.

Money already spent is gone. The past is a story, not a factor.

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MODULE 3 · THE TAKEAWAY

DON'T ELIMINATE RISK. PRICE IT.

Ask what it really costs, what it's worth in today's terms, and whether you're properly compensated for it.

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