

Feasibility Studies

A **feasibility study** is an evaluation of a proposal designed to determine the difficulty in carrying out a designated task. Generally, a feasibility study precedes technical development and project implementation.

As the name implies, a feasibility study is an analysis of the viability of an idea. The feasibility study focuses on answering the essential question of “should we proceed with the proposed project idea?” All activities of the study are directed toward helping answer this question.

The feasibility study helps to “frame” and “flesh-out” specific business scenarios so they can be studied in-depth. During this process the number of business alternatives under consideration is usually quickly reduced.



During the feasibility process you may investigate a variety of ways of organizing the business and positioning your idea in the marketplace. It is an exploratory journey and you may take several paths before you reach your destination. Just because the initial analysis is negative does not mean that the proposal does not have merit. Sometimes limitations or flaws in the proposal can be corrected.

A feasibility study can help sort out relevant scenarios to help determine viability of a proposed idea the marketplace. A feasibility study will help to identify opportunities in a market or market segment. If no opportunities are found, there may be no reason to proceed. If opportunities are found, the feasibility study can give focus and direction to the construction of business scenarios to investigate.

Results and Conclusions

The conclusions of the feasibility study will outline the various scenarios examined and the implications, strengths and weaknesses of each and will challenge underlying assumptions. This is the time to be skeptical.

Feasibility studies do not suddenly become positive or negative. As you accumulate information and investigate alternatives, neither a positive nor negative outcome may emerge. The decision of whether to proceed is often not clear cut. Major stumbling blocks may emerge that negate the project. Sometimes these weaknesses can be overcome. Rarely does the analysis come out overwhelmingly positive. The study will help you assess the tradeoff between the risks and rewards of moving forward with the business project.

Remember, it is not the purpose of the feasibility study or the role of the consultant to decide whether or not to proceed with a business idea. It is the role of the decision makers to make this decision, using information from the feasibility study and input from consultant.

Go/No-Go Decision

The go/no-go decision is one of the most critical in business development. It is the point of no return. Once you have decided to pursue a business scenario, there is usually no turning back. The feasibility study will be a major information source in making this decision.