



Great idea, but will it work?

The Why and How of Feasibility Studies for New Programs and Ventures

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What is a feasibility study?

“A feasibility study is a controlled process identifying problems and opportunities, determining objectives, describing situations, defined successful outcomes and assessing the range of costs and benefits associated with several alternatives for solving a problem.” (PricewaterhouseCoopers International Ltd.)

It answers:

- Should we proceed with the proposed idea, project, program or venture?
- Will it work? Is this viable?
- Is this the best option?

Why conduct a feasibility study?

A feasibility study will help you to:

- Learn if you can generate adequate program outcomes or cash flow or profits
- Understand and mitigate risks
- Provide data/information needed to make good decisions
- Determine if you can meet your mission, vision, business objectives
- Identify reasons not to proceed
- Create a program or venture that will be sustainable for the long-haul
- Demonstrate to funders/supporters that you've done your homework
- Attract capital

Why forego a feasibility study?

- Instinct: “My gut tells me to go ahead.”
- Ability to replicate/duplicate/borrow: “Others already do this, so we can too.”
- Fix our mistakes later: “We don't have time.”
- The consultant dilemma: “The only people who benefit from this are the consultants we hire.”
- Want to remain nimble, flexible: “We're going with a Lean (or Agile) approach.”
- The *real* reason: “It takes time and money, and we have neither.”

Key components of a feasibility study

Feasibility studies may be lengthy and extremely detailed or they may take a higher level view of understanding “will it work?” The following are some components you may want to include in a feasibility study depending on your unique situation and needs.

- Executive Summary
- Table of Contents
- Introduction
- Overview/outline of the program, product or service
- The market
 - Environment
 - Competition
 - Your competitive advantages
- Industry and industry projections
- Business model
 - Sources of revenue
 - Uses of funds
- Marketing and sales strategy
- Facility / real estate / location requirements
 - Physical environment
 - Renting, purchasing, occasional use needs
- Management and personnel
 - Key managers
 - Structure: legal and governance
 - Staffing, staffing levels, roll-out plans
 - Contractors, partners, consultants
- Intellectual property
- Regulatory / environmental issues
- Critical risk factors
- Financial projections
 - Narrative
 - Pro Formas
- Summary findings/recommendations
- Appendices