



## Guide 3: Feasibility Study

### Key Definitions

**Product** – an object that your business will make and sell (e.g. vegetables) or buy and re-sell (e.g. food in a tuck shop)

**Service** – an activity you perform and charge people for (e.g. a carwash or dance troupe)

### Learn

### Conducting a Feasibility Study

A **feasibility study** helps you decide whether a business idea could realistically work, given your area, time and resources. Even if you have previously completed one, it is important to carry out another feasibility study when you are considering developing your business or starting a different one, as the market may have changed.

From your resource assessment, choose your **two best business ideas**. Then, for both ideas, get your students to **answer 'Yes' or 'No'** to the questions below. Depending on if your idea is a **product** or **service**, some questions may not need to be answered. Take a look at the example below for guidance.

Feasibility Questions	Yes	No	If NO, how can you overcome it?
Would most consumers consider the product/service <b>attractive</b> or <b>useful</b> ?	X		
Is the product <b>easy to store, package, and transport</b> ?	X		
Does the product have a <b>long lifespan</b> (i.e. it will not go off, wear out or go out of fashion)?		X	<i>We will harvest the vegetables on the same day we will sell them</i>
Is the product <b>safe</b> for consumers to use and for your students to produce?	X		
Is the product/service <b>easy to make or supply</b> ?	X		
Do you have access to the <b>necessary materials</b> ?	X		
Will the product/service be <b>in demand all year round</b> ?		X	<i>We will rotate the vegetable production according to the seasons</i>
Would the product/service have a <b>repeat demand</b> (i.e. would your customers buy it more than once)?	X		
Will you be able to sell this product/service at a price that will cover the costs of making it and still <b>generate a profit</b> ?	X		
Does this product/service have a <b>low start-up cost</b> ?	X		

Feasibility Questions	Yes	No	If NO, how can you overcome it?
Could most students in your business team be <b>involved</b> in offering the product/service?	X		
Does making/selling the product/service have <b>educational value</b> for the students?	X		
Overall, does this seem like a <b>good business idea</b> ?	X		

If you answered 'No' to any of the questions, **think creatively** about how you could adapt your idea to **overcome these barriers** as cheaply and easily as possible. If you have too many 'No' answers that you cannot overcome, you can always return to your brainstormed list and try the Feasibility Study on a different idea.

## Analysing Feasibility Study Results

Once you have answered 'Yes' or found solutions to all the questions, the business idea is **feasible** and you are ready to **make your final choice** of which business you want to start! **Compare the results of your two feasibility studies:** which idea has the most 'Yes' answers, which may be more profitable, and which would have the most value for your team and community?

## Check

Try answering these questions to check what you have learned. If you are not sure of the answers, go over this guide again before you move on.

1. **What is the purpose of a feasibility study?**
2. **Why is it important to carry out a feasibility study, even if you are planning to grow an existing business?**
3. **If both your favourite ideas seem feasible, what questions can you ask in order to come to the best decision?**

## Do

**Do these activities:**

Fill in your Silver Business Idea template: **Done** 

1	Complete the feasibility study and analyse the results to identify your final Business Idea!	Section E: Brainstorming Business Ideas (Questions 4b and 5)	
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