



TEACH
A MAN TO FISH



GUIDE 3

FEASIBILITY STUDY



GOLD LEVEL

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In this guide we will show you how to **choose a few of your business growth ideas** and perform a **feasibility study** to help select the best one! You will also check that your business idea fits with **the People, Profit, Planet elements**. When you have finished these activities you will be able to fill in the rest of Section E on your **GOLD Business Idea Template**.

1. Conducting a Feasibility Study

When you thought of your initial business idea for your first school business, it is likely that you conducted a Feasibility Study. It is good practice to repeat this exercise when you are considering ideas for developing your business. We recommend choosing your **two best business ideas** and performing a revision of your feasibility study. The fairest way to choose the two best ideas is to look back at your five business ideas (Section E on your **GOLD Business Idea template**) and ask students to vote on their favourite ones.

A **feasibility study** is designed to help you decide whether a business idea could realistically work, given your **area, time and resources**. On the next page, you will find a Feasibility Study Template. It gives you a list of questions that students should think about to help decide if their business idea is feasible or not. There are **two** different Feasibility Templates.



If your business idea is a **PRODUCT**, please use **Template A**.

A **product** is an object or item that your business will make or will buy and re-sell. For example, an organic vegetable growing business like that run by *Samuel Memorial Convent School* is selling a product, because it sells the vegetables to the community.



If your business idea is a **SERVICE**, please use **Template B**.

A **service** is an activity that you are performing for people, in this case, in exchange for payment. For example, an entertainment business like the one at *Mackay Memorial College* is selling a service because it is charging people to watch their musical performance.



At this point, only answer the questions by choosing YES or NO. In the next section you will think about how to overcome any problems you may have. Remember to repeat the Feasibility Study for your two business ideas!

TEMPLATE A: PRODUCT FEASIBILITY STUDY

If you are going to sell a <u>product</u> :	YES	NO	If NO, how can you overcome it?
1. Would most consumers consider the product attractive or useful?			
2. Is the product easy to store and transport?			
3. Does the product have a long lifespan (i.e. it won't go off, wear out or go out of fashion)?			
4. Is the product safe for customers to use or consume?			
5. Is the product easy to make?			
6. Do you have access to the necessary materials?			
7. Will the product be in demand all year round?			
8. Is the product easily packaged and transportable?			
9. Will you be able to sell this product at a price that will cover the costs of making it and still generate a profit?			
10. Does this product have a low start-up cost?			
11. Does making/selling the product have educational value for the students?			
12. Overall - does this seem like a good business idea?			

TEMPLATE B: SERVICE FEASIBILITY STUDY

If you are going to sell a <u>service</u> :	YES	NO	If NO, how can you overcome it?
1. Would most consumers consider the service useful, (i.e. can a large number of people use it)?			
2. Would the service have a repeat demand, (i.e. could people buy it more than once)?			
3. Will this service be in demand all year round?			
4. Would the service be risk free for you and the consumer?			
5. Do you have easy access to the necessary materials for the service?			
6. Is the service quick and easy to supply?			
7. Could most people in your company be involved in offering the service?			
8. Will you be able to sell this service at a price that will cover the costs of providing it and still generate a profit?			
9. Does this service have a low start-up cost?			
10. Does providing the service have educational value for the students?			
11. Overall - does this seem like a good business idea?			

2. Analysing Feasibility Study Results

Before you can agree on your final Gold Level business idea, you need to analyse the results of the Feasibility Study.

- **If you answered YES to all the questions** in the Feasibility Study, then **your business ideas are feasible** and you can **move onto the next stage**.
- **If you answered NO to any of the questions**, decide if you are able to overcome these barriers by changing your business idea slightly or compensating in other ways, or if the business idea is simply not viable and you need to think of a new one. If you need to think through a new idea, you can return to the list of brainstormed ideas you came up with before and test one of those in the Feasibility Study.



Example: *Treetops School in the UK had a business idea to sell ice cream at the local park. When asked Question 7: 'Will the product be in demand all year round?' the students answered 'No,' because they do not expect many people to be interested in buying ice cream in winter. To overcome this they decided to diversify their business slightly to include sales of tea and coffee. This will mean their business can be run all year round.*

By working through the feasibility questions one by one you will ensure that your business idea works in reality because you have thought about all the problems it may face before they even happen!

Now it's time to choose the best idea based on your Feasibility Study! Look at the Feasibility Study for both your business ideas and think about the following questions:

- Which business idea has the most 'YES' answers?
- Which idea would make you the most profit?
- Which idea would have the most educational value for your business team?
- Which idea best meets the People, Profit, Planet elements? (Refer to Weekly Guide 2 to remind yourself what People, Profit, Planet is).
- If there are issues with both ideas, which has problems that are easier or less expensive to overcome?



When you have decided on your Final Business Idea, it's time to complete '**Section E: Brainstorming Business Ideas**' on your **GOLD Business Idea Template** by answering questions 4b) and 5!

Well Done! You have successfully completed your Feasibility Study! In the next guide, we will help you to start thinking about how to finance your business idea. After that, it will be time to submit your GOLD Business Idea!