

Feasibility Plan Assignment

Instructions

The objective of this assignment is to determine the feasibility of a new business venture.

The first step is to select a concept that you believe has potential. This should be done in teams of 2-3 students. At the beginning, you should avoid trying to define the business too narrowly. Keep your options open; as you learn more about the opportunity you may want to modify your original concept. It is important that you are able to explain the alternatives that you considered and why you selected your particular concept.

Framework

Using the Feasibility Plan Framework, evaluate the concept. This framework is divided into three sections with questions that need to be addressed.

Part I Industry & Market Analysis

Analyze size and growth of the market; industry trends; market structure; identify problems and potential niches.

Part II Competitive Analysis

Identify current and future competitors and determine their strengths and weaknesses.

Part III Venture Analysis

In this section you will determine the product/service features; identify the target market; unique benefits; competitive advantage, risks and profitability.

Both primary and secondary research is required. When secondary research is conducted, make sure you reference the source of your information.

Interviews

This research will consist primarily of talking to people who can provide you with information and feedback. Each team should interview at least 10 relevant people (a minimum of 5 per team member), including industry experts and organizations, competitors, distributors, investors, bankers, real estate companies, product and service designers, marketing experts, customers, distributors, engineers, vendors, suppliers, manufacturers, subcontractors, consultants, etc. Ideally you should talk to people in the same industry that you are considering, but should not be limited to these; talking with successful entrepreneurs can provide great insights.

You should prepare carefully for the interview by stating the objectives and preparing a list of questions. Each interview will be different, depending on the interviewee and the information that has been collected previously. Take notes as you proceed with the interview.

Prepare a Call Report for each interview (see Feasibility Plan Call Report). It is imperative that you allow ½ hour immediately after every interview to complete your notes, summarize your findings and draw conclusions.

Undoubtedly, the initial interviews will suggest other areas that you want to explore and you should add appropriate questions. Also, at the end of each interview make sure you ask who else would it be useful for you talk to.

Customer Surveys

Each team is required to conduct a qualitative survey of at least 10 potential customers (a minimum of 5 per team member) to determine level of interest, desirable product/service features, pricing, demographics, psychographics, etc. (See Feasibility Plan Customer Survey).

Prepare a separate summary of your conclusions based on the survey results.

Where possible observe customers in their normal habitat. Take notes.

Conclusions and Recommendations

Based on the results of the interviews, customer surveys, and secondary research, decide whether the concept is feasible.

If you determine that the concept is feasible, what steps do you recommend be taken to advance the venture?

It is quite legitimate, although not very much fun, to conclude that the venture is not feasible. Indicate why you have come to that decision. What alternatives did you consider?

Deliverable

The Feasibility Plan consists of:

I Market Analysis in DECK (PowerPoint) format of the following elements:

- Size and growth
- Trends
- Market segmentation
- Threats
- Market structure
- Opportunities and niches
- New distribution channels
- Conclusion

II Competitive Analysis DECK (PowerPoint) format of the following elements:

- Competitor description
- Basis of competition
- Barriers to entry
- Degree of rivalry
- Control over prices, costs and channels
- Market damnation
- Conclusion

III Venture Analysis in DECK (PowerPoint) format of the following elements:

- Venture Description
- Market & Industry Analysis (~3 slides) based on any revision of Part I
- Competitive Analysis (~3 slides) base on any revision of Part II
- Opportunity/Need
- Product/Service Description
- Target Market
- Unique Benefits
- Sustainable Competitive Advantage
- Risks
- Profitability, Break-even and Investment Required (2 slides)
- Conclusions
- Recommendations

Supporting information is placed in an appendix:

- Other opportunities considered (pros & cons of each)
- Call Reports
- Customer surveys & conclusion
- Competition matrix
- Profitability assumptions