Chapter 2

**Activity 2-2 Feasibility Checklist**

**Directions:** Complete the following entrepreneurial assessments. Include a printed copy of these checklists in the Appendices section of the business plan.

1. Complete the following evaluation on the product or services you will offer.

**Product or Service Assessment**

Briefly describe the business.

<<Place Answer Here>>

List the major products and/or services you plan to sell.

<<Place Answer Here>>

Provide a description of who will buy your products or services.

<<Place Answer Here>>

Where should your business be located?

<<Place Answer Here>>

Who are your major competitors?

<<Place Answer Here>>

What type of staff and how many staff members will you need?

<<Place Answer Here>>

1. A feasibility study involves gathering, analyzing, and evaluating information so the following question can be answered: "Should I go into this business?" Answering this question involves a preliminary assessment of both personal and project considerations. ***Personal Considerations***

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|  **Personal Readiness Assessment**  |
|  | **Yes** | **No** |
| Do you like to make your own decisions? |  |  |
| Do you enjoy competition? |  |  |
| Are you self-disciplined? |  |  |
| Are you a planner? |  |  |
| Do you get work done on time? |  |  |
| Are you willing to take advice? |  |  |
| Do you work well under pressure? |  |  |
| Are you prepared for the emotional strain of owning a business? |  |  |
| Are you prepared to work long hours and long days? |  |  |
| Do you know the skills and expertise needed for the business? |  |  |
| Do you have these skills or know someone who does that will help you? |  |  |
| Are you prepared to lose the money you personally invest? |  |  |

*Note:* If you answered *yes* more than *no*, you are better prepared to run a business.

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| **Elements of Success** |
|  | **Yes** | **No** |
| Does your product satisfy an unserved or underserved need? |  |  |
| Might more people want your product than there is product available? |  |  |
| Have you surveyed the people most likely to buy your product or service about the features and costs? |  |  |
| Do you have an advantage over your competition? (i.e., price, location, quality) |  |  |
| Does your product/service have unlimited life? (meaning it is not perishable) |  |  |

*Note:* If you answered *yes* more than *no*, your business has a better chance for success.

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| **Possible Issues** |
|  | **Yes** | **No** |
| Is there something that would make any part of your product unavailable (i.e., excessive costs, hard-to-find materials, equipment, technology, experienced personnel)? |  |  |
| Is the capital required to start or continue your business more than you have available or can borrow? |  |  |
| Will financing be difficult to obtain? |  |  |
| Are there possible negative environmental effects from your product? |  |  |
| Is your product or service regulated by the government? |  |  |
| Are there any factors that might prevent you from marketing your product? |  |  |
| Are there any major risks associated with your product? Could these risks bankrupt you? |  |  |

*Note:* A *yes* answer to any of these questions indicates that your business idea may not succeed.

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| **Expenses** |
|  | **Yes** | **No** |
| Do you have an idea of what your expenses will be? |  |  |
| Will you have enough cash on hand to cover expenses for the first six months? |  |  |
| Will you be able to price your product high enough to cover costs and make an adequate profit, yet still be competitive? |  |  |

*Note:* If you answered *yes* more than *no*, your business has a better chance for success.

**Miscellaneous**

Ask your instructor where to save your documents. This could be on the school’s network or a flash drive of your own. Name your Word document *FirstnameLastname*\_Activity2-2.docx (i.e., JohnSmith\_Activity2-2.docx).