

Feasibility Study Basics

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Types of a Feasibility Study

- Pre-feasibility study
 - Prior to writing of a business plan
 - The decision to enter the business usually has not been made yet
 - Gathering of information
- Feasibility study
 - Due-diligence or assessment of business plan
 - Financial analysis
 - Risk/Opportunity determination of the business model

Why Conduct a Feasibility Study?

- Learn about the industry and business
- Provide information for a business plan
- Determine if you should enter into the business and can make a profit
- Requirement from financial institutions, federal and state programs, or grants
- Understanding the risks involved

Parts of a Feasibility Study

- Table of Contents
- Executive Summary
- State of the Industry
- Market Analysis
- Regional and State Issues

Parts of a Feasibility Study

- Environmental and Permits
- Business Structure
- Technology Issues
- Management and employee requirements
- Supply or Raw Material Analysis

Parts of a Feasibility Study

- Byproducts and Markets
- Location and Site Issues
- Partnering Opportunities
- Financial Sensitivity
- Financial Analysis
- Appendix

Report Tips and Suggestions

- Table of Contents
- Glossary of Terms and Acronyms or explain in the body of the text
- Give source of data and information
- Appendix for additional information
- Team biography

Report Tips and Suggestions

- Use graphics when possible
- Financing for a Feasibility Study
 - USDA
 - Utility company
 - Farm Bureau
- Confidentiality is critical
- Find what is special for the client

Resources for Information

- Iowa State University Extension and Outreach
- Center for Industrial Research and Service
- Small Business Administration