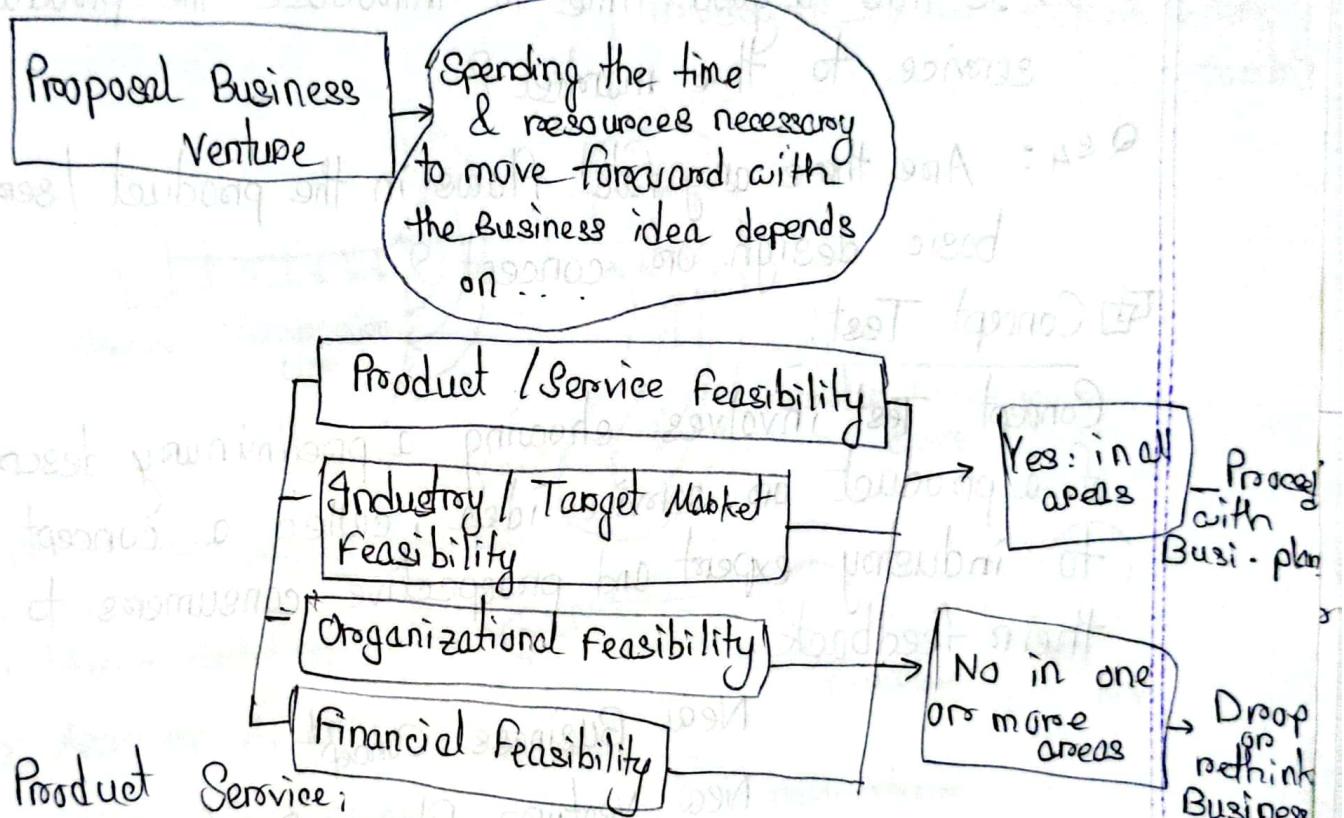


Feasibility Analysis: is the process of determining if a business idea is viable.

■ Role of Feasibility Analysis in Developing successful business ideas



■ Product Service:

Product / Service feasibility Analysis is an assessment of the overall appeal of the product / service being proposed. There are two components to product or service feasibility analysis:-

- i) Product / Service desirability/desirability
- ii) Product / Service demand

iii) Product / Service Desirability: The first component of product / service feasibility is to affirm that the proposed product or service is desirable and serves a need in the market place.

Q<sub>s1</sub>: Is it something consumers will get excited about?

Q<sub>s2</sub>: Does it take advantage of an environmental trend, solve the problem, or fill a gap in the market place?

Q<sub>s3</sub>: Is this a good time to introduce the product or service to the market?

Q<sub>s4</sub>: Are there any fatal flaws in the product/service's basic design or concept?

### Concept Test:

Concept Test involves showing a preliminary description of a product or service idea, called a concept statement, to industry expert and prospective consumers to solicit their feedback.

New Business Concept

New Venture Fitness Drinks Inc.

Product

Target Market

Why new Venture fitness Drink?

Special feature

Management Team

HPBW: In a plane containing the direction of the maximum beam the angle between the two directions in which the radiation intensity is one half value of the beam.

$$\frac{1}{2} F_{NBH} = H_{PBW}$$

PE & ED

12th Oct '23

## 2. Industry / Target Market feasibility Analysis:

1. Industry Attractiveness.
2. Target Market Attractiveness
3. Organizational feasibility Analysis.

Organizational feasibility Analysis is carried out conducted to determine whether a proposed business idea has sufficient management expertise, organizational competence, and resources to successfully launch its business.

- ① Management Process: A proposed business should evaluate the process or ability of its initial management team, whether it is a sole entrepreneur or a large group.
- ② Resource sufficiency: The second area of organizational feasibility analysis is to determine whether the proposed venture has or is capable of obtaining sufficient resources to move forward.

#### 4. Financial Feasibility Analysis:

- i. Total start-up cash needed.
- ii. Financial Performance of Similar Businesses.
- iii. Overall financial Attractiveness of the proposed venture.

Macro-Economics:

Mac. Economics Measurement ; Part II : GDP & Real GDP.

GDP : Gross Domestic Product : The Total market value of all final goods & services produced annually within a countries borders.

⦿ Calculating GDP:

<u>Goods</u>	<u>Quantity Produced of each good</u>	<u>Price of each good</u>
A	10	\$2
B	20	\$3
C	30	\$5

$$GDP = \sum PQ$$

⦿ Double counting error:

⦿ final Goods: A good in the hands of its final user.

⦿ Intermediate Goods: A good that is an input to the production of a final good.

⦿ Double Counting: Counting a good more than once when computing GDP.

### What GDP Omits:

1. Certain Nonmarket Goods and Services
2. Underground activities both legal and illegal.
3. Sales of used goods.
4. Financial Transactions.
5. Government Payment Transfers Payment
6. Leisure

### Per Capita GDP:

If we divide a country's GDP by the population in the country, we get per capita GDP.

If  $\text{GDP} = \$5 \text{ million trillion}$

& Population =  $\$200 \text{ million}$

$$\text{then Per Capita GDP} = \frac{\$200 \text{ million}}{\$5 \text{ million trillion}}$$