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Feasibility Report

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## Introduction

Competitor has opened down the road and Old Mate is losing customers as the new business has an ecommerce site where as Old Mate uses a traditional approach with over the phone. Too many are calling asking about products instead of checking a website, causing Old Mate to lose customers through big waiting times thus losing money.

The financial objective of the project is to increase the revenue by $3,000 within a year and to reduce the number of phone calls by 10% within the year thus saving $5,000 every year (100hr/yr. x $50 = $5,000)

Objectives

• Dive 5% rev in new sales a year, $3000 extra

• Staff redeployment into tech-based position, within a year

• 10% reduction in phone calls, cost benefit, to be achieved within a year

• Customer net satisfaction index increase by 10%, to be achieved within a year

## Operational feasibility

It is believed that the project is operationally feasible because it will be easy to adapt the current business of selling antique items in a brick-and-mortar store to online; this will help as it allows customers to quickly view in-stock items and place orders, reducing the amount of phone calls Old Mates receives.

Another fact that increases the operational feasibility is that all staff agree that there is the opportunity to increase sales and improve efficiencies with the introduction of a new website, making operational changes simpler with all staff on board.

The Project is Operationally Feasible

## Technical feasibility

The website will be hosted at an external hosting site, which makes it more feasible to have a website running as there will be no costs for server setup and maintenance. The only issue regarding feasibility is staffing. One objective is to redeploy one staff member into a more technical role. This can be overcome relatively easily within a year, as expected.

The Project is Technically Feasible

## Economic feasibility

**Initial Project Costs**

The cost for developing the project ( hours and rate of pay + purchases)

16 weeks X 8 Hours @$50 = $6,400

+ Materials and Apps @ $0 ( all open source materials and Apps)

Total = $6,400

**Ongoing Yearly Costs ( or yearly expenditure )**

Provide text to support Ongoing Yearly costs

Total =$6,000 Per year

**Planned ongoing savings**

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Total = $5,00Per year

**Planned Increased Revenue**

Provide text to support Planned Increased Revenue

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Total = $3,000 per year

Breakeven point

As indicated on the graph below

The The project is expected to payback or breakeven in the 4th Year.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Break Even Analysis** | **Initial Year** | **2nd Year** | **3rd Year** | **4th Year** | **5th Year** | **6th Year** | **7th Year** | **8th Year** | **9th Year** | **10th Year** |
| Initial Project Cost | $6,400 | $6,400 | $6,400 | $6,400 | $6,400 | $6,400 | $6,400 | $6,400 | $6,400 | $6,400 |
| Ongoing Yearly Cost | $6,000 | $12,000 | $18,000 | $24,000 | $30,000 | $36,000 | $42,000 | $48,000 | $54,000 | $60,000 |
| **Cumulative Total Cost** | **$12,400** | **$18,400** | **$24,400** | **$30,400** | **$36,400** | **$42,400** | **$48,400** | **$54,400** | **$60,400** | **$66,400** |
| Planned Ongoing Savings | $5,000 | $10,000 | $15,000 | $20,000 | $25,000 | $30,000 | $35,000 | $40,000 | $45,000 | $50,000 |
| Planned Increased Revenue | $3,000 | $6,000 | $9,000 | $12,000 | $15,000 | $18,000 | $21,000 | $24,000 | $27,000 | $30,000 |
| **Cumulative Financial Benefits** | **$8,000** | **$16,000** | **$24,000** | **$32,000** | **$40,000** | **$48,000** | **$56,000** | **$64,000** | **$72,000** | **$80,000** |
| Cost vs Benefit Difference | -$4,400 | -$2,400 | -$400 | $1,600 | $3,600 | $5,600 | $7,600 | $9,600 | $11,600 | $13,600 |

|  |  |
| --- | --- |
| **Assumptions:** |  |
| Ongoing Yearly cost | $6,000 |
| Planned Ongoing Savings | $5,000 |
| Annual revenue increase | $3,000 |

The Project is Economically Feasible

Schedule Feasibility

Schedule:

Initiation phase 31/07/2023 – 09/09/2023

Planning phase 09/09/2023 – 22/09/2023

Execution phase 16/10/2023 – 10/11/2023

Closeout phase 10/11/2023– 01/12/2023

Within the allocated time it is expected to have completed a full ecommerce website that allows users to order online with updates to the stock available being done automatically.

The schedule of the entire project being due on the 1/12/23 is feasible as each phase has been reasonably set out. The phase deadlines are more desirable than mandatory with only the closeout having a mandatory date of 1/12/2023.

The Project is Schedule Feasible