

22-52-Q1

Q : ZHR \rightarrow BP

\downarrow
FA

(a) BP first. FA later

(b) FA what + how

Solution: (a) Advise

① Dr Lim shouldn't rush straight to the business plan.

② A business plan is a formal statement of a set of business goals, the reasons why they are believed attainable, and the plan for reaching those goals.

③ By contrast, Feasibility analysis serves as a filter, screening out ideas that lack the potential for building a successful business before an entrepreneur commits the necessary resources to building a business plan.

(b) concept of feasibility analysis

① Industry and market

② product and service

③ financial

④ entrepreneur

c) how to conduct :

Industry and Market Feasibility Analysis

Two areas of focus

- ① Determining how attractive an industry is overall as a "home" for a new business
- ② Identifying possible niches, a small business can occupy profitably

Conduct a Feasibility Analysis

- ① Begin with a broad look at the industry
Use Porter's five forces model
- ② Five forces interact with one another to determine the setting in which companies compete and hence the attractiveness of the industry
 1. Rivalry among competing firms
 2. Bargaining power of suppliers
 3. Bargaining power of buyers

4. Threat of new entrants

5. Threat of substitute products
or services