***Lab 7 – Feasibility Analysis***

Date assigned: Friday, October 14, 2016

Date due: **Friday, October 14, 2016, 12:00 p.m.**

**Learning Objectives**

Upon successful completion of this lab exercise, the student will be able to:

* Know some basic facts about feasibility analysis
* Properly use a formal template
* Conduct a feasibility analysis for HVK

**Part 1 – Feasibility Analysis Facts**

1. What is the difference between tangible and intangible value? Give three examples of each.

A tangible value is a value that can easily be measured or quantified.

* The salary of an employee
* Hardware cost savings
* Software cost savings

An intangible value is a value that cannot be easily measured or quantified

* The value of having improved customer service
* The value of having increased customer satisfaction.
* Brand equity

1. What is the purpose of the feasibility analysis? How is it used in the project selection process?

The purpose of feasibility analysis is to determine whether or not a project is possible or realistic. To determine feasibility you look at 4 different factors to determine it. Whether you can build it from a technical point of view, if you can afford it, if you want to build it and if you have time to build it.

1. Describe the four techniques used in a feasibility analysis.

* Technical feasibility: Can we build it?
* This is asking if you can build it from a technical point of view. Do you have the knowledge and capability to build it?
* Economic feasibility: Should we build it?
* This looks at it from an economic point of view and if you can afford to build it. Can you pay the employees for the project?
* Organizational feasibility: Do we want to build it?
* Will taking on the project give the company a bad image? Will taking it on be something out of their expertise?
* Schedule feasibility:
* Will we be able to build it within a realistic time frame? Can we finish it when the client wants it done?

1. What is the break-even point for a project? How is it calculated?

* The break-even point for a project is the point where the profit made off the projects surpasses the amount of money spent on a project.

Yearly net Cash flow – cumulative net cash flow

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Yearly net cash flow

**Part 2 – HVK Feasibility Analysis**

You will be performing a feasibility analysis for possible solutions to the Happy Valley Kennel system at your company. The purpose is to look at possible candidates as solutions to providing a solution to your client. In your 2nd Assignment you determined what possible candidates are and what each of their architectures/benefits are.

Now, you will need to determine what economic, technical, organization, and schedule feasibility issues might exist for each solution.

Follow these steps to complete the feasibility analysis for HVK.

1. Retrieve the Feasibility Analysis Template from the Moodle page for this course to use as your basis. Save the document as YourUsername\_Feasiblity\_Analysis.docx.
2. Complete the template using the information you gathered about two of the candidates you researched in Assignment 2. The third candidate is the system that you (and your company) are building. You will be marked on your ability to effectively use a template for technical writing.
3. For each of the candidates, describe 1 organizational, 1 technical, 1 schedule, and 2 economic feasibility issues that relate to the candidate. (issues can be: benefits, costs, risks)
4. Based on your analysis, which solution would you recommend?

**To submit**

When you have completed the lab exercise, copy the following documents to the Moodle page for this course:

* YourUsername\_L07\_Feasibility\_Analysis\_Questions
* YourUsername\_HVK\_Feasiblity\_Analysis.docx