

What is a feasibility study?

A feasibility study is a way to evaluate the practicality and desirability of a project. Before a company invests time and money into a project, they need to know how successful the project will be before investing. Sometimes companies want to understand input costs, the amount of research that will need to be done, or even the marketability of a project. With input prices, it is essential that companies understand, (even before they put time and research into the project), how much it would cost to go through with their product. Companies also like to know if they put time into research and go through with their change or promotion of a product, how the public/people will react to the change. Will people be fighting over the new product or will it fall through? The purpose of feasibility studies is to provide companies information and analysis on whether or not you or your company should pursue this course of action.

Feasibility reports are usually used to sway decision makers towards one direction or the other. Many times there is only one course of action but, there needs to be a second course of action.

Questions to Consider for Your Report:

What to consider in creating feasibility studies/reports?

It remains important to consider alternatives when you are creating a feasibility study. Decision makers in companies want to understand why they have to make a choice, and then why they should choose this certain option. Feasibility reports need to include detailed information on the problem that has presented itself to provide decision makers with a reason to consider further options.

Is your argument important and appropriate?

When deciding on whether or not your feasibility study is important you must first recognize the target audience or reader. For professional organizations people want your argument or study to be based around needs or aims of the organization and their future. In professional settings, it is believed that those guiding points or criteria should be known by the people judging your study. In other words, make the study reasonable and have it relate to what you are looking at implementing or the change you want to see happen.

Facts can make your argument important. However, decision makers want to know that your sources are reliable. They want to be assured that the information they are receiving is from a credible source in the industry. This may turn out to be the most important aspect of any feasibility study and report. Due simply to the fact that any information you gather, no matter the presentation, can be ruined if you're lacking information about your sources or in the worst case if your sources are not credible.

What to consider about your alternatives?

It is important to understand how your alternatives compare to the criteria you set in place. In most cases your readers will want to understand how your results compared to others. This allows them to make an educated decision based simply around facts and results. Anderson considers this to be the heart of any feasibility report.

What have you found against your alternatives?

Based on experiments and finding results about possible alternatives and how they fare, it is important to draw conclusions about the alternatives. This is not made to bash other options or products, but is made to set your product or idea apart. You should include general knowledge or conclusions about what each product does well. This remains an important part because once again decision makers need a basis for comparison, they need a reason to select your idea compared to the alternatives and may already be set in place, or in the near future.

What should you throw into a conclusion?

Include in your conclusion how you're going to go implement your ideas for the company and how it will enrich the company. Explain why the company should choose your course of action. Compare statistics and data and help the readers understand the logical choice and the course of action that would aid in selecting one option over the other. Explain your expertise on the subject matter and help them realize that your idea is the choice they are looking for. Based on your experiences they will most likely take your side if you present the argument efficiently. The company will select your course of action, based on the key points you outline in your feasibility study.

Important Features of a Basic Feasibility Report

Below are the seven elements of a feasibility report:

- **Introduction** – You need to persuade the decision maker to even consider any sort of alternative. You need to convince them to even read your report first. Tell them what they will gain personally or as an organization by considering your work.
- **Criteria/Constraints** – You must specifically map out the criteria of what the ideal outcomes are. This will allow you to make practical and logical decisions. You can present the criteria in your feasibility report in one of two ways. First, you can separate the criteria into its own section. This is best when you have an extensive report and you need to go in-depth with the explanation. Second, you can incorporate the criteria throughout your report as the criteria become relevant. However, it is important to realize that whichever strategy you chose make sure that the criteria is introduced early in the report. It is also very

important to map out the constraints of your suggested solutions. This will show the audience that you understand and acknowledge the fact that no solution is perfect. This will also make sure that the audience makes the decision in their best interest.

- **Method** – It is very important to present facts that are accurate and relevant. You should state the reliable sources you used and what method they came from (internet, interview, book, etc.). Without a credible research method or credible sources your document itself will lack credibility.
- **Overview of Alternative Options** – You must underline the key features of each possible option. Make sure they are easy to understand and presented in a friendly layout. Keep in mind that the goal is to allow your audience to make the best decision.
- **Evaluation** – This should be the bulk of your report, you must evaluate the options using the criteria you created. Add graphs, charts, etc. to show that you have studied your options, and have come up with statistics that back up your reasons as to why your alternative beats the competition.
- **Conclusions** – You need to state the conclusion you have come up with. How did you evaluate the alternatives? And then from there, which alternative best fit your organization.
- **Recommendations** – You need to use your experience and knowledge in order to state which option you think should be adopted.
- Note: All seven elements outlined do not need to be included in the feasibility report depending on audience, circumstance, mission, etc. Also the elements do not need to be in the exact order outlined above. Specifically the conclusion should be mentioned more than just at the end of the report. It should also be summarized in the beginning of the report and in the case the the feasibility report is long, it can be mentioned in the middle as well.

Executive Summary

An executive summary should be included at the beginning of the report. In 2-3 pages, the main points of the feasibility study are summarized for a quick review by busy administrators and school board members. The executive summary provides the reader with an overview of the feasibility study and will help them see the entire picture before they read the details. Some decision-makers may only read the executive summary. Thus, the executive summary should be concise and include the major findings of the study followed by a recommendation.

Introduction

The purpose of the introduction of a feasibility report is two-fold:

- To answer the readers' question: "Why do we need to look into these alternatives-do they matter?"

In order to answer this question, it is necessary to identify the problem that your report will help resolve or what your report is aimed at accomplishing.

- To talk about the other options that you have looked at and analyzed, as well as to tell how you went about researching and analyzing them.

Note: Usually, the introduction to a feasibility report briefly discloses some of the important conclusions and the most feasible options for change. Other elements of a report of this nature, such as the criteria, method, or any other kind of general background, may also be concisely noted and mentioned in this portion of the report.

Criteria/Constraints

What to consider in your feasibility study/report. As you begin formulating what you would like to consider you should realize that usually criteria works around one or more of the following questions.

Will your plan or course of action really do what is desired?

This is often seen on the technical sides. What you have to ask yourself is whether or not your implementation or change really makes that much of a difference. Lets say you are looking to improve an aspect of your company. Will your change really improve the proficiency and speed of what their trying to do. Or will you find in your study that the change actually slows down production or the efficiency of the company's workers. This is important to predict beforehand because sometimes an improvement in the workplace is not always an improvement in how a company works. But many of these factors you will not notice until after you complete your study. And in the worst case you may not see negative ailments until after the plan is implemented.

What will it take to implement your course of action?

Even though your plan of action may seem correct and efficient on paper, it may not be practical towards your line of work. You must take into account the circumstances that arise in every aspect of a professional setting. What you may find is that in one field your plan may be extremely successful, but in another may be a bust. This can also take place from company to company. As you work at different companies along the same field, you will begin to understand what can be successful in one workplace that may not work in another. Sometimes you have to take into account the amount of changes that will need to be implemented for your plan. Do you need to go through extensive changes in operations, or make upgrades to current equipment or materials that are currently in use or in stock? Sometimes the amount of money that needs to be put into a new project may be much more than the actual amount of benefit that would be received from the changes. You must consider your plan as a cost-benefit analysis.

Cost of implementation.

This may become the biggest factor in any business decision. How much will it cost? In not only business, but any professional field, the benefits must outweigh the costs in any decision. This is even the case when deciding to work on one aspect of a project compared to the other. When forming criteria for a feasibility report, you must understand the costs if all went as planned. Then you might even want to find out what the cost would be if you had minor or major setbacks. It is important to understand the costs because unless the benefits outweigh the costs, a company will most likely not go through with your proposed plan of action. Also it is important to look into the future of the company. Maybe your plan of action will not be beneficial for the first year in existence, but what about the years following that? This must be considered because like any other decision in business, the original fixed cost may be high but the marginal gains may be high. In that case it may be a good decision for the company to make a change if it is beneficial for the future. Think about health care companies. Would it be beneficial for a company to invest in new equipment even though the upfront payment is very high?

Is your idea/product desirable?

This is as simple as is your plan going to sell. Will people want to overextend themselves for change, or will they reject what you are trying to do? Sometimes a change or solution must be more than just effective and affordable. You must consider the consumers and people that will be changing. Sometimes many feasible courses of action do not succeed simply because they create effects that drive the consumers away. Because of this, the product or plan does not sell. These undesirable side effects can be as simple as tearing away employee morale. Sometimes even though a plan is promoting and expected to increase productivity, how will the employees react? Many times companies overlook how their employees are going to react to change. But the fact of the matter is that the only way to increase production is to keep employees happy. If they are not pushed to improve the company and their own status then they simply will not find change necessary.

Method

Things to keep in mind:

This section of your feasibility report is one of substantial magnitude and importance. This part of your paper demonstrates to the reader what you discovered, through your research, actually matters and has reliability. By telling your audience how you came to know what you have found out and know now, you are demonstrating to them that your results are trustworthy and that they truly hold significance in meaning. With strong methods for finding out your facts, your readers will then feel comfortable and confident to make the necessary changes.

It's all about the source

The question of what sources to use completely varies from study to study. There are several different types of sources that you could use to find your facts-it all just depends on what you are trying to find answers to. Sources can include (but are not limited to):

- Academic journals or reports
- Library research
- Phone calls
- Face-to-face interviews
- Meetings with those who are knowledgeable about the topic or are in your company/organization
- Surveys (Survey Monkey!)
- Usability Testing
- Lab testings

How much is enough?

The length and density of content will vary from each report to the next. You should take into consideration your audience as well as the context and purpose, for which your paper is written. The main goal is to purely get the point across to the readers that what you are reporting has validity, by describing how the means of attaining your information are sound and secure. Make sure that your writing is reader-centered and that they would be satisfied. Doing thus will ensure that your method is long and descriptive enough.

Where does it fit?

The placement of this section of your report will also depend on the type of report that you are writing. If there are only a couple of different methods used throughout your research, it might be a good idea to fit them into the beginning of your report, writing a paragraph for each technique. If you have several, unrelated methods, however, it would be good to place those paragraphs throughout the report, where they would best accompany your analysis or data.

Important note

Sometimes, if it is really obvious how you went about your research, then there might not even be a need to talk about your methods. It is key, though, that your readers always have a clear understanding of the way you obtained your facts and that they are worth trusting.

Revision Checklist

Once your feasibility study is complete analyze the checklist to ensure every topic has been addressed.

Introduction

1. Does it tell your readers why you conducted this study?
2. Does it provide background information the readers will need or want?
3. Does it identify the action or alternatives you investigated?
4. Does it persuade readers to use this study as a valid document?

Criteria

1. Does it identify the standards by which the action or alternatives were evaluated?

Method

1. Does it explain the way you obtained the facts and ideas presented in the report?
2. Does it persuade the readers that this method would produce reliable results?

Overview of Alternatives

1. Does it present a general description of each alternative?

Evaluation

1. Does it evaluate the action or alternative in terms of criteria?
2. Does it present the facts and evidence that supports each evaluative statement?

Conclusions

1. Does it explain the significance from the reader's viewpoint of your facts?
2. Does it state the conclusion plain and simple?

Recommendations

1. Does it advise which course of action or alternative you recommend?
2. Does it present recommendations which stand out?
3. Does it suggest specific steps your readers may take to act on each of your recommendations?