

## Assessment of viability.

The word “viability” is a mass noun that means the ability or capacity of something to work well. It could be a proposal, an idea, a project, or even a plan to change how a company does business.

The Viability study is mostly needed during development and is a required document for getting money. It is a key tool for determining the energy price generated and whether it can be used for captive generation.

A viability study tries to find out if something can work or not. The amount of time a company spends on the study also depends on the new operations.

A viability study is a detailed look at how profitable a business idea might be. The investigation also determines whether the idea could be turned into a business.

### Importance of viability study

Because it helps to uncover potential problems or dangers associated with a project before major resources are committed to it, a viability study is an important tool for companies. A viability study is crucial for the following reasons in particular:

- Increases your success probability

A viability study will assist you in determining whether a project, plan, or concept is worth pursuing. It restricts you from engaging in a business or undertaking that could result in significant losses.

Therefore, it will indicate whether you should abandon or continue your desired plan.

- Focused and specific

The studies that look at viability are focused and clear. It focuses mostly on making money and puts little thought into how well a plan will work. With this study, you ask questions to determine if an investment will make money.

It's a way to examine something by focusing on how much money will be made or saved.

- Helps you draw up a plan

You will know what steps to take to meet your needs if you have a plan. A viability study will help you define your goals and ideas that will lead to profits. A well-thought-out plan will also help you estimate a project's or proposal's financial benefits.

- Helps to see the bigger picture.

Remember that the big picture in the viability study is the money that will be made.

*For example, using solar energy at home will decrease your electricity bill. Also, solar power is better in the long run.*

Because it can be used for a long time, it saves money.

- Offers Chances and Solutions

It gives you a chance to stop working on projects that don't make money before you spend a lot of time and money on them. As you research a project, you might develop new and better ideas.

Also, you might only sometimes have to give up on a project because you might think of ways to improve it.

### **Ways to conduct viability study**

By conducting a thorough viability study, companies can make more informed judgments regarding whether or not to engage in a project, thereby preventing the waste of resources and financial losses.

Using a viability study, you can determine if a proposed business or project is possible and how likely it is to succeed. Some of these steps could be:

- Define the project's or venture's scope:**

This involves describing the project's goals, objectives, and deliverables and any restrictions or limitations.

- Perform a market analysis:**

This entails investigating and evaluating the project or business's target market, including identifying possible clients, rival businesses, and market trends.

- **Put together a financial plan:**

This includes making a budget for the project or venture, estimating income and costs, and figuring out how much money you expect to make back.

- **Assess risks and uncertainties:**

This entails locating and assessing any potential risks or uncertainties that may impact the project or enterprise, such as governmental changes or market conditions.

- **Prepare a report:**

After the methods above, the data should be compiled into a report that explains the viability study results and offers options for continuing the project or venturing ahead.

- **Review and feedback:**

Distribute the report to the relevant parties and stakeholders, get their input, and make any necessary adjustments.