Feasibility Study

- Technical feasibility:
  1. Users' and analysts' familiarity with the business area:
     The business area is the gym related product, which monitors basic health conditions of the user and gives them suggestions on how to workout properly. Members of our team have extensive knowledge in the field of working out.
  2. Familiarity with technology:
     The technical tools we are going to use:
     - Python programming language
     - SQL Server Database Management System

     All of the team members are familiar with Python, while some are not expert in SQL.
  3. Project size:
     It is about 3 people for 1 month.
  4. Conclusion:
     The risk in this stage is relatively low, as the team is familiar with the technology required for creating the product.
- Economic feasibility

Costs	**Period 1**	**Period 2**	**Period 3**	**Period 4**	**Period 5**	**Period 6**
Salaries	0	0	0	0	0	0
H/w and S/w	0	0	0	0	0	0
Training	0	0	0	0	0	0
Support and maintenance	0	0	0	0	150	150
Total costs	0	0	0	0	150	150
Benefits						
Increase in # of users	0	0	0	0	40	100
Money from ads	0	0	0	0	200	600
Total benefits	0	0	0	0	240	700
NCF	0	0	0	0	90	550
CNCF	0	0	0	0	90	640

Numbers are in DHS

NCF: Net Cash Flow

CNCF: Cumulative Net Cash Flow

One period corresponds to one week

H/w and S/w correspond to Hardware and Software respectively

5. The return on investment (ROI):

$$ROI = \frac{Total\ benefits - Total\ costs}{Total\ costs} = \frac{700 - 150}{150} = \frac{550}{150} = 3.67\,\%$$

6. The break-even point (BEP):

$$BEP = \frac{Period\ net\ cash\ flow - Cumulative\ net\ cash\ flow}{Period\ net\ cash\ flow} = \frac{90 - 90}{90} = 0\,\%$$

   So the project will take 4 weeks.

7. Conclusion:

   The ROI is quite small, but looking at this application as at a source of future passive income, it is more than enough for a long term profit. The BEP is relatively low, so it makes the risk smaller.