

Feasibility study

A feasibility study is undertaken to determine the possibility or probability of either improving the existing system or developing a completely new system. It helps to obtain the overview of the problem and to get a rough assessment of whether other feasible solution exists.

NEEDS FOR FEASIBILITY STUDY:

The feasibility study is needed for following things:-

- Answer the questions whether a new system is to be installed or not?
- Determine the potential of the existing system.
- Improve the existing system.
- Know what should be embedded in the new system.
- Define the problems and objectives involved.
- Avoid costly repairs at later stage when system is implemented.
- Avoid crash implementation of the new system.
- Avoid the 'Hardware approach' i.e. getting a computer first and then deciding how to use it.

The Feasibility study is divided in to three parts:-

- TECHNICAL FEASIBILITY
 - ECONOMIC FEASIBILITY
 - OPERATIONAL FEASIBILITY
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- **ECONOMIC FEASIBILITY**

Economic analysis is most frequently used for evaluation of the effectiveness of the system. More commonly known as cost/benefit analysis the procedure is to determine the benefit and saving that are expected from a system and compare them with costs, decisions is made to design and Implement the system.