Delhi College Of Arts and Commerce

University of Delhi

Subject- Entrepreneurship GE (E- Resources)

COURSE- BA ECO (HONS) and BA JOURNALISM (HONS)- IInd SEMESTER

Date- 14th April, 2020

- ***UNIT 1, UNIT 2 AND UNIT 3 - Completed***
- ***Unit4-*** **BUSINESS PLAN PREPARATION**

Topic for today- Feasibility analysis- Meaning and concept (contd.)

There are different types of feasibility study that a company can undertake apart from the ones discussed in previous lecture. These are as follows-

1. **Technical feasibility**-
   Technical feasibility is the assessment of the technical requirements of a project or product to find out what technical resources a project requires. Technical feasibility is not complete until the same technical assessment is done on the company to establish that it has the technical capabilities to carry out the implementation of the project to completion within the required time. It is focused on the available hardware and software to be used for a project.

2. **Legal feasibility**-

This is an assessment of whether the project meets the legal requirements that exist for implementation. An example is whether a new building meets the requirements of the law, whether the location was suitably chosen and construction is approved by the authorities. Legal feasibility also encompasses the ethical aspects of a project, for example does a new plant dump its waste in a manner that is environmentally friendly. The project may also be a new undertaking that is not covered under any law and so this must also be checked.

3. **Operational feasibility**-

Operational feasibility ascertains how well the implementation of a project fits in with the current organizational business structure. The solutions to a current problem must come as close as possible to a perfect fit with the organizational structure and be able to be applied to solve other arising problems. The opportunities that come along the way during the solution implementation must be able to be harnessed for even easier implementation.

4. **Schedule feasibility**-

Before you start a project, you have to ask the following questions: When is the project due? Are there legal obligations related to the schedule? Within what time is the project or product viable? Are the deadlines attainable? This is an assessment of the time frame for the delivery of the product and whether or not the product will still be needed after that time.

5. **Economic feasibility**-

Here, a study is done on the project to see how long it would take for the project to reach break-even point. It is similar to a cost benefit analysis. Every project incurs a cost and it is prudent for financial planning purposes to know exactly when to expect returns. Also, to anticipate the capital required to complete the project. This is not limited to for-profit projects only as they will also incur a financial cost.

6. **Managerial feasibility**-

Managerial feasibility establishes the kind of project management structure to be implemented to ensure that all aspects of the project are completed according the design and within the specified time. It assesses the human capital input in the implementation of a project. The proposed structure of management must be able to deliver the project as required.

7. **Political feasibility-**

Depending on the size of the project and its social and political implications, your project may gain widespread support from the government or its opposition. This means that there are unanticipated challenges that will come with this. On the other hand, the government itself may be against the project because it differs with its political standing. This makes political feasibility an important factor especially for large projects.

8. **Environmental feasibility**-

Environmental impact assessments are a necessary part of any large project and have to be done and approved by authorities before a project is allowed to begin. Setting up a cement factory for example will require a thorough evaluation of how the environment will be affected from the mining of limestone all the way to the waste management at the factory itself. Any new venture must be environmentally conscious to enable implementation.

9. **Market feasibility**-

Starting up, a market feasibility study is needed to ensure that the product or business is something that people want. The target demographic has to be established and the product centered on their needs and what would ensure the best outcomes financially. The market feasibility study ensures that you do not build a product or business that no one needs or wants. It also helps determine the product you make as a business.

10. **Social feasibility**

A project environment should be evaluated to find out whether the current social structures make it possible to implement the project with ease or whether certain accommodations and concessions are necessary before moving forward with the project.

11. **Real estate feasibility**-

A report is needed to confirm whether or not the specified location for the project is legally viable for the project. You cannot set up a residential estate in an area zoned for manufacturing. You have to be well within local zoning laws and you must determine the exact property prices for the given location as well. There are other types of feasibility study that one must assess before implementing a project. All these are however encompassed in one way or the other under the types discussed above, they include safety, cultural and comprehensive feasibility studies.

- ***NOTE**: In case of difficulty in understanding of any topic, students can freely contact the undersigned.*
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