

## Syllabus for the Feasibility Issues Module

Welcome to Feasibility! This is the crux of the issue and the most critical aspect of *Venture Planning*! Can your idea work? Is your venture feasible? What more basic questions can there be? We have worked with hundreds of businesses over the years (We lost count at 400, and that was ten years ago!), and we must say that only a tiny fraction of them had actually conducted a breakeven analysis before they started. That was one of the reasons they were having problems and called us in, of course, but they did not know it at the time. A breakeven analysis is not mysterious and it does not require a mathematician or a spread sheet wizard. It just requires some research and some time. We are not only going to teach you how to do it, we are going to walk you through the process! In fact, we are going to show you lots more uses for the techniques than just a break even at start up. The techniques we will show you can help in evaluating a product, service, store, division, or in making a decision about advertising expenditures, or changing prices, or any of dozens of other issues.

Once we have a breakeven, we must look at the market and estimate the market share that we will have to capture in order to satisfy our financial needs. We will teach you how to do that, and this skill will carry us to the final determination of feasibility.

**First**, if you have not done it in a previous module, download the *Plan Outline*. Keep the questions in the Venture Planning Process foremost in your mind as you study and learn in this Module.

**Secondly**, if you have not done it in a previous module, download the sample *Business Plans*. As we have said, these are actual plans, so you must keep them confidential. Take a look at how each of these plans have handled the issue of feasibility. Do the plans convince you that the ventures were actually feasible? How did they do that, or why did they fail to do that? The most critical aspect of a business plan is whether it can convince a reader that the venture is feasible. If it fails to do that, then the venture will never get the funding it needs.

**Third**, view the *Breakeven Analysis* video. Read the pdf text which accompanies it. This video will show you how to research and estimate start up costs, the costs required to get you into business in the first place, and on going costs, the costs required to stay in business. Then, the video will demonstrate how to combine your cost estimates to determine what levels of revenues you must achieve to cover your costs, and to produce the profit you desire for the venture.

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Remember that it is not enough to just break even! No one goes into business to break even! We want to make a profit! Consequently, we need to learn what it takes to produce a desirable level of profit.

**Fourth**, view the *Feasibility Analysis* video. Read the pdf text which accompanies it. This video is the single most important video that you have yet seen. Everything that has gone before comes into play now as we begin to learn how to use it all to investigate the feasibility of our ideas and plans. This is not just a yes or no question! What we need to know is what we have to do to *make* our venture feasible! Almost any idea can be made to work if we are willing to make changes! Here is where we might decide to change the location, the scale of the operation, the depth of product or service offerings, or the pricing strategy. In fact, we can change any aspect of our plans if necessary to make the venture feasible.

**Finally**, continue the *Venture Planning Process* for your venture. We hope that you began this process in the *Start Up Module*. There, you would have developed a vision statement. You would have sought out a partner with whom to share ideas, discuss issues and concepts. You would have determined a location for your venture, and you would have determined the people and skills that you need. Hopefully, you continued the process in the *Pricing Module*. There you would have investigated and estimated costs, identified direct and indirect competitors, crafted a distinctive competency, determined an image and a pricing strategy.

Now, we want you to revisit all of those previous steps. In light of your new perspective of feasibility, you should revise your vision statement. In fact, you should revise everything! When we began collecting information and making records, we did not know how everything would fit together. Now we do, and in light of this new knowledge, we need to revisit, rethink, and revise everything. Continue your meetings and discussions with your venture partner and talk about feasibility, as well as the need to make changes to earlier decisions.

We are on the verge now! We need to learn something about marketing and how one penetrates a market, then we will prepare our forecasts and finish our business plan. Do you see the door to the future now? You should because you have almost finished building it!