

FEASIBILITY CHECKLIST

This feasibility checklist is designed to help the pre-business person determine whether his idea represents a valid business opportunity. This checklist is a tool to help the entrepreneur determine if there are any major obstacles that will prevent the business from becoming successful. Each NO answer should be carefully reviewed to determine how great an impact it will have on the business and to see if anything can be done to correct the problems it may create.

PERSONAL CONSIDERATIONS:

- Do you enjoy working long hours?
- Do you have self-discipline & willpower?
- Do you meet deadlines easily?
- Do you work well under pressure?
- Will you jeopardize your home?
- Do you have the necessary physical strength?
- Does your family support this venture?
- Do you have a back-up plan?

EXPERIENCE AND SKILLS:

- Does your idea make use of your skills?
- Does your idea require skills you do not have?
- Can you find experienced personnel at an affordable rate?
- Are you experienced in this line of work?
- Do you have managerial experience?
- Are you able to interpret financial data?
- Are you familiar with tax regulations?
- Do you know bookkeeping and accounting?

PLANNING AND PREPAREDNESS:

- Have you already written a formal business plan?
- Do you know exactly what services or products will be offered?
- Do you know what customers to target?
- Have you arranged for a business location?
- Do you have a list of potential suppliers?
- Do you know your competitors' businesses well?
- Have you arranged for insurance?
- Do you have a business license?
- Have you investigated advertising & its cost?
- Have you hired a competent staff?

REQUIREMENTS FOR SUCCESS:

- Will your proposed business meet needed services?
- Is there already a similar business in your community?
- Can your business successfully compete against its competition because of an advantage such as lower prices or superior service?

DETRIMENTAL FLAWS:

- Are you affected by any monopolies, shortages, or restrictions that prevent you from obtaining any necessary items at an affordable price?
- Are capital requirements for starting up or continuing operations excessive?
- Is adequate financing going to be difficult to obtain?
- Does your business adversely affect the environment?
- Is your business completely legal?
- Are there any factors that prevent effective marketing?

INCOME:

- Will your business provide you with your desired level of income?
- Do you know your industry's averages - including gross profit, expenses, and net profit as a percent of sales?
- Do you know your industry's inventory turnover rate?
- Have you prepared an income statement to determine the level of sales necessary to support your desired income level?
- From a practical stand