

## PROJECT FEASIBILITY STUDY STANDARD FORMAT

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### Chapter I Description of the Project

Provide a 200-300 words description of the proposal. Description shall provide a birds-eye view of the project proposal.

#### General Information

This shall include the following:

1. Provide Mission and Vision Statement for the business proposal
2. Provide general and/or specific objectives of the business proposal
3. Discuss the organization and administration of the proposal
4. Discuss the project location
5. Discuss and illustrate the time duration of the proposal
6. Enumerate and describe major business activities

### Chapter II Market Feasibility

Provide a one to two sentences introduction to this chapter. (Example: This chapter presents the market analysis and competitiveness of the proposed business.)

#### Industry Description

This shall include the following:

1. Describe the size, scope and nature of the proposed business.
2. Describe the size, scope and nature of the products and/or services.
3. Describe the size, scope and nature of the market or market segments.
4. Identify the life-cycle of the industry, market or market segments whether emerging, at peak or mature.
5. Discuss the future direction of the proposed business, market or market segments and trends of the similar kind of business.

#### Industry Competitiveness

This shall include the following:

1. Provide an industry analysis that will support the proposed business.
2. Analyze and describe the major competitors.
3. Provide a SWOT analysis of the proposed business.
4. Provide a price competitiveness analysis of product or service.
5. Identify and discuss the factors that will possibly affect the market of the proposed business.

6. Provide an action plan to sustain the competitiveness of the proposed business.

### **Market Potential**

This shall include the following:

1. Discuss how the product or service will be sold.
2. Identify the demand and usage trends of the market or market segments in which the proposed business will participate.
3. Discuss the potential for emerging, niche or segmented market opportunities.
4. Assess estimated market usage and potential share of the market or market segment.

### **Demand and Sales Analysis**

This shall include the following:

1. Provide assumptions on the demand and sales projection.
2. Provide a detailed estimate and/or computed demand for each product or service.
3. Project sales under various assumptions such as prices and demand.

### **Marketing Strategies:**

This shall include the following:

1. Identify the potential buyers of the product or service and the associated marketing costs.
2. Describe the product or service distribution system and the costs involved.
3. Identify marketing strategies that will be adopted by the proposed business and their associated costs.

## **Chapter III Technical Feasibility**

Provide a one to two sentences introduction to this chapter. (Example: This chapter presents the market analysis and competitiveness of the proposed business.)

### **Production Process and Flowchart:**

This shall include the following:

1. Provide the production schedule
2. Discuss and describe the production process
3. Provide a flowchart of the production process

### **Location and Facility Needs**

This shall include the following:

1. Describe and justify the proposed location of the business.
  - a. Access to markets, raw materials, transportation, labor and production inputs
  - b. Analyze environmental impact and regulatory requirements
  - c. Views and opinions of the community
2. Provide a vicinity map of the proposed location
3. Describe the size and type of production facilities
4. Determine and list all the needed facilities for the proposed business.
  - a. Determine if a land should be acquired or rented. Also, determine the size and price of the land.
  - b. Estimate the cost of building.
  - c. Provide a blue print of the building.
  - d. List the equipment, furniture and fixtures and other needed facilities for the operation of the business with their prices.

### **Suitability of production technology**

This shall include the following:

1. Discuss and compare providers and suppliers of needed facilities.
2. Determine competitiveness of technology and equipment
3. Identify limitations or constraints of technology and equipment.

### **Raw Materials**

This shall include the following:

1. Provide an estimate of raw materials and/or inventory needed.
2. Discuss the current trend and the future availability and access to raw materials.
3. Describe the quality and provide the cost of raw materials and inventory needed.
4. Discuss possible alternatives for raw materials and/or inventory their prices, location and quality.

## **Chapter IV Organizational Feasibility**

Provide a one to two sentences introduction to this chapter. (Example: This chapter presents the market analysis and competitiveness of the proposed business.)

### **Business Structure**

This shall include the following:

1. Discuss the form of the proposed business structure.
2. Discuss the availability of manpower.
3. Discuss the governance, lines of authority and decision making structure.

### **Organizational Structure**

This shall include the following:

1. Illustrate the organizational chart of the proposed business.
2. Provide job description and job specification for each position in the organizational chart.
3. Provide the number of employees required for each position and their corresponding salary.

### **Business Policies**

Discuss and provide policies for the following:

- a. **Quality Standards**
- b. **Safety Measures**
- c. **Operating Policies (sanction on disciplinary actions)**
- d. **Waste Management**
- e. **Reward System on Employees**
- f. **Legal Requirements**

## **Chapter V Financial Feasibility**

Provide a one to two sentences introduction to this chapter. (Example: This chapter presents the market analysis and competitiveness of the proposed business.)

### **Capital Requirements**

This shall include the following:

1. Provide an estimate of the total project costs needed to start the proposed business.
2. Discuss how the capital needs could be met.
3. Estimate other capital needs.

### **Equity and Credit Needs**

This shall include the following:

1. Identify alternative equity sources and capital availability as well as credit sources

### **Income and Cost Analysis**

This shall include the following:

1. List all the major assumptions of the proposed business.
2. In table form, provide the following for the next 3 years.
  - a. Income Statement
  - b. Statement of Changes in Owners Equity
  - c. Balance Sheet
  - d. Cash Flows
3. In table form, provide for the sales/income projection for the next 3 years.
4. In table form, provide for the recurring expenses for the next 3 years.

### **Financial Analysis**

This shall include the following:

1. Discuss and estimate the sales needed to break even.
2. Provide a calculation of the following to determine:
  - a. Return On Investment (how many years to get back the investment)
  - b. Liquidity Ratio
  - c. Solvency Ratio

## **Chapter VI Study Conclusions**

In this chapter discuss the decision of the proponents whether the research proposal turned out to be feasible or not. This study contains the information needed for deciding whether to proceed with creating the business. State the reasons why the proposed business could be considered feasible or not.