
BUSINESS FEASIBILITY STUDY

Before you go full on into business commencement there are a number of considerations that must be addressed. Carefully read and respond to the following questions using the information and web sites provided as a guide.

Business Description



When detailing the proposed business, remember that you may need to present this feasibility study to other persons who do not know anything about your business. Describe the product and/or service that you are offering, any unique characteristics about the business, and the proposed location that you will investigate for the business operations.



Write a description of the business you propose.

Owners



List and detail each person involved in the business. Include: name, address, phone number, email address

Skills, Qualifications and Experience



When considering the skills, qualifications and experience relevant to business you need to consider the following:



Business related:

Market research, developing marketing strategies, operations management, continuous improvement, financial record keeping, bookkeeping, cash flows and budgeting, costing, pricing, legal knowledge, customer service, selling, communication skills



Business Technical Skills:

Those technical skills required to undertake the business you propose, eg a carpenter would need carpentry skills, a web designer would need IT skills, etc.



List the business skills you have that are relevant to your business.



List the technical skills you have that are relevant to your business.



List the qualifications you have that are relevant to your business.



List the experience you have that is relevant to your business.



What areas do you need to develop and how do you propose to do this?

Market Research



What do you know about your customers? How do they behave? What motivates them to buy. In many cases when going into business you will be seeking customers that already obtain product/service elsewhere. You need to understand your customer, your competition and what makes you better, different from them.



Who are your potential customers?

Identify who you plan to target your product/service to.

How do your customers know you exist?



Undertake a customer survey addressing the statements below.

“If a person had a need for your product or service what process do they go through to satisfy that need?” – “How do they know you exist?”



If a person is looking for a tradesperson they often refer to the Yellow Pages for these people under the appropriate headings. If a person is looking for a handy person they may think “Jims Lawnmowing” and seek the contact details or they may ask a neighbor, or look in the classified section of their local newspaper.



Customer Profile



What are the common elements that describe the majority of people who are likely to buy your product/service?



You can collect information about customers and competitors in a number of different ways. You may wish to talk to them, conduct a survey, pose as a potential customer, talk to others that deal with your competitors, for example suppliers are a great source of information, visit their premises, collect their promotional and/or marketing material. When thinking about who your competitor is, remember to think in terms of who else is competing for the same dollar. You might be the only person offering hot air balloon rides in a popular tourist location. This does not mean you do not have any other competitors. Any one else competing for the tourist dollar may in fact be you competitor.



Where are they? Describe the geographic profile of your target market.



What motivates them to buy? Why would they buy from you.

Competition



- Determine who these people currently do business with to satisfy their need.
- What are their prices?
- What does the competition do well (strengths)? What could they do better (weaknesses)? How successful are they?

Determining your competitive advantage



- What advantages would they seek from your product/service for them to change their loyalty and buy from you?
- What can you offer or do better than your competition?
- What do you see as your weaknesses in relation to your competitors?

Sales



- How much of your product/service would they seek from your business?
- At what price?
- When are they likely to buy?

Market testing



Have you offered your product/service on:

A hobby basis

As part of testing the markets reaction

Through other employment

Other (*Specify*).....



Detail:

- Amount of sales

- Comments made about your product/service

- Repeat sales

- The price you charged

- Other (*Specify*)

Business, Legal And Regulatory Requirements



Do you know all the legal requirements for your business? Use the following as a guide to investigating the legal and regulatory requirements for your business. For example:



Food safety plan
Plant operation
Awards and conditions
Door to door sales
Equal Opportunity
Zoning/Parking
Real Estate Licence

Secondhand dealers licence
Environmental protection
Tour operators
Intellectual Property
Work care/Work cover
Fire regulations
Tour operators Licence

Home based business permits
Scales, weight and measures
Hawkers Licence
Patents/Copyright/Trademarks
Hazardous chemicals
Leases
Travel Agents Licence

Essential insurances
Lay-bys/ refunds
Real Estate
Trade Practices act
Consumer Protection
Discharge of waste
Tax agents Licence



Try these websites for accessing legal requirements for your business.



ACT-Business Licence Information Service–
WA Business and Licence Information Service
NSW-Business and Licence Service (BLIS)
SA Business and Licence Information Service –
TAS-Business and Licence Information Service -
NT – Business and Licence Information Service (BLIS) –
VIC-Business Licence Information Service-
QLD- SmartLLicence -

www.business.act.gov.au
www.licence.sbdc.com.au
<http://blis.fair-trading.nsw.gov.au>
<http://bli.net.au/sa>
<http://bli.net.au/tas>
<http://bli.net.au/nt>
www.business.channel.vic.gov.au
www.sd.qld.gov.au



List the business and legal requirements pertaining to your business?

What is the process for meeting these requirements?



Can you meet these requirements?



What is the time frame for complying with these requirements?

Business Name Registration



You may need to register a business name if you are using a name other than your own given name.



R & J Smith Plumbing may need to be registered if the plumbing appears on all of your correspondence, business cards, invoices etc.



When choosing a business name you must also consider your market research. For example, have you chosen a name that reflects your business and suits your form of marketing or advertising? If a person needs a plumber they will



usually look in the yellow pages. So where would "ZEN Plumbing" appear in the Yellow pages?



Does your business name need registering?

Yes

No



Go to:

ACT www.business.act.gov.au NSW www.fair-trading.nsw.gov.au NT www.nt.gov.au/justice QLD www.consumer.qld.gov.au/oft
SA www.ocba.sa.gov.au TAS www.justice.tas.gov.au VIC www.consumer.vic.gov.au WA www.docep.wa.gov.au



What does the business name tell your potential customers about your business?

Business Structure



Tick the business structure you propose for your business.

Company

Sole Trader

Partnership

Trust

ABN/GST



If you are seeking corporate customers you will need to obtain an Australian Business Number (ABN). If you are simply selling to domestic clients then an ABN may not be necessary to get started. In either case you may wish to avoid the reporting involved in collecting the GST if you are only starting out with a turnover of less than \$50,000 per year. If you choose not to register to collect initially, then you cannot charge it or get a refund for paying it.



To determine your obligations go to:



Business Entry Point

www.abr.business.gov.au

