

Is Your Business Idea Feasible?

Evaluating the feasibility of a business allows you to make a more informed “go or no go” decision. It involves a detailed examination of financial, personal, and market realities. Some of the key elements that you should explore and honestly appraise include:

- Do you have enough money to get your idea off the ground without going into debt? If not, where are you going to get your money? Do you have enough cash and the right combination of prior experience, credit status, and other tangible assets to secure financing for the venture?
- Are you willing to take the risks of loss associated with assuming debt?
- Can the business generate enough revenue to pay its expenses as well as your desired level of owner profit?
- Are your management skills adequate for overseeing and developing the business operations and market and selling your product or service?
- Is there a demand for your product or service?
- Can you really compete and stay competitive with other businesses that have been at it longer and have an established reputation? Have you done research on market demand, or have you just assumed that people need or want your product or service?
- Are the rewards from the business, both monetary and personal, worth the effort and investment you are going to have to make?
- What is the worst thing that could happen if you go into business for yourself? Are you capable and willing to deal with the worst possibility, should it occur?