Feasibility Analysis Workbook

A feasibility analysis, or feasibility study, is used to assess the strengths and weaknesses of a proposed project, policy, product or service for its capability to achieve the desired results. The analysis is to determine whether the initiative will be successful— or not— by identifying "make or break" factors. A feasibility analysis should be used as a preliminary step to identify any potential roadblocks before investing more time and resources to develop a robust proposal or operational plan, which can be a complex and time-consuming effort.

By examining the internal and external environments of a proposed initiative, including organizational, financial, political, technical and marketing aspects, a feasibility analysis is a process for determining the viability of the initiative, providing a framework and direction for its development and delivery. It is driven by research and analysis, usually involving key stakeholder engagement and focused on resolving key issues and areas of concern or uncertainty. A complete feasibility analysis is an essential roadmap to project development and lays the foundation for developing an operational plan.

How to Use the Workbook

This workbook is designed to help walk you through the process of conducting a feasibility analysis for a proposed project idea. The workbook can also be used as a template to develop a formal project feasibility report or used as a roadmap for project development. We encourage adapting the workbook, as needed, to meet your individual needs by expanding tables, changing labels, and rearranging sections. The workbook is organized into 5 main sections:

1. **Project Design:** Basic Project Information and Project Goals and Expected Results
2. **Financial Viability:** Projected Costs, Funding Opportunities, and Final Analysis
3. **Internal Environment:** Organizational Analysis, Technology Considerations, Staff Capacity, and Final Analysis
4. **External Environment:** Market Analysis, Policy Landscape, and Final Analysis
5. **Findings and Recommendations:** Key Findings, Next Steps

Receive Direct Technical Assistance from SEEC

This workbook was developed by the Local Government Commission in partnership with the Statewide Energy Efficiency Collaborative (SEEC) to serve as a resource for local governments to assess the feasibility of new projects and initiatives.

If you have any questions about the workbook or would like additional support, please contact us at statewideenergycoordinator@lgc.org. SEEC is an alliance between 3 statewide NGOs and California's 4 IOUs to catalyze local climate action to save energy and reduce greenhouse gas emissions by providing no-cost support and tools. Learn more about SEEC at www.californiaseec.org.

Project Design

Basic Project Information

Project Name	
Description	*Brief narrative overview of proposed project, capturing the most important aspects of the product or service and how the project will work.*
Stakeholders	*Consider customers, participants, partners, suppliers, etc.*
Timeframe	*Outline the target timeframe for the project, keeping in mind any key milestones, upcoming deadlines, the ideal start date, anticipated project duration, etc.*

Project Goals and Expected Results

Economic	Environmental	Social	Other
Such as job training, job creation, safe and affordable housing, access to healthy food options, and monetary savings from energy efficiency.	*Such as energy savings, GHG emissions reduction, VMT reduced, trees planted, and waste reduction.*	*Such as behavioral changes, greater public participation, and building community resilience.*	

Financial Viability

Projected Costs

Planning Costs	Start-Up Costs	Operating Costs
Any projected costs prior to the start of the project, such as for planning and research.	*One-time, start-up costs, such as new equipment and website development.*	*Ongoing costs, such as labor, travel, supplies, marketing materials and maintenance—both fixed and variable.*

Funding Opportunities

Opportunity	Type	Description	Amount	Priority
Name of funding opportunity	*i.e., earned revenue, grant, contract, bond, sponsorship, etc.*	*Provide brief description.*	*Dollar amount to request.*	*Categorize as low, medium, or high.*

Final Analysis

Summary	*Rate the overall financial prognosis of the proposed project as strong, moderate, or weak, considering if costs are reasonable and funding is likely. Provide the estimated annual budget and ideal funding composition.*
Challenges	*Provide an overview of anticipated funding challenges.*
Strategies	*List strategies that can be undertaken to overcome funding challenges.*
Alternatives	*Assess possible alternatives to improve financial viability such as reducing cost by narrowing project scope.*
Sensitivity	*Assess how the uncertainty of assumptions and computations made can impact financial analysis.*

Internal Environment

Organizational Analysis

Mission Alignment	Leadership	Staff	Resources
Describe project's alignment with organization's mission and strategic direction.	*Assess commitment of leadership (staff directors, council, board, etc.).*	*Assess commitment and capacity (time) of staff who will be involved.*	*List organization's resources and networks that can help support the project.*

Technology Considerations

Project Needs	Existing Capacity	Strategies to Fill Gaps
List any technology needs for the proposed project.	*Describe organizational and staff technological capacity and equipment.*	*Brainstorm strategies to fill any identified gaps (e.g., substitute, outsource, train, etc.).*

Additional considerations include technology needed on the recipient side to participate in, or benefit from, the proposed project, relevant demand-side technology trends, and anticipated technological advancements.

Staff Capacity

	Project Needs	Existing Capacity	Strategies to Fill Gaps
Planning			
Implementation			
Marketing			
Technical			

Final Analysis

Strengths	Weaknesses

Recommendations

External Environment

Market Analysis

Target Markets	*List geographic, demographic and psychographic characteristics. Include the estimated size of target markets.*
Existing Demand	*Describe existing demand for proposed project and services in target market.*
Strengths	*List internal strengths of proposed project as it relates to the market, such as its competitive advantage.*
Weaknesses	*List related internal weaknesses to address, such as lack of outreach experience or network development.*
Opportunities	*Briefly discuss any existing or potential external market opportunities. Relevant trends can include population growth, demographic changes, and technological advancements.*
Threats	*Briefly discuss any existing or potential external market threats and rate as high, medium, or low and growing, level, or declining.*
Marketing Strategies	*List marketing strategies that utilize strengths, address weaknesses, take advantage of opportunities, and build resilience to threats.*

Policy Landscape

Driving Forces	Barriers to Entry
Such as federal, state, or other legal mandates or regulations compelling the need for the project and rate as high, medium, or low and growing, level, or declining.	*Such as policies needed for success or lack of political will and rate as high, medium, or low and growing, level, or declining.*

Final Analysis

Opportunities	Threats

Recommendations

Findings and Recommendations

Key Findings

Strengths & Opportunities	*List key strengths (internal) and opportunities (external) for the proposed project and strategies to fully leverage them.*
Weaknesses & Threats	*List key weaknesses (internal) and threats (external) for the proposed project and strategies to properly address them.*
Areas of Uncertainty	*List areas of uncertainty that need further research or consultation.*
Recommendations	*Provide recommendations for any major changes to the original project design and how to proceed.*

Next Steps

Next Step	Description	Lead	Support	Priority
		Staff to lead	*Staff to support*	*Categorize as low, med, or high.*

Need further assistance? Contact us at statewideenergycoordinator@lgc.org.