#1
Understand
the needs

#2
Explore
the Idea

#3
Develop the
product/
service

#4
Implement
the work

#5
Scale the
potential

2.2 Analyse feasibility

What?

Innovation always comes with a certain amount of uncertainty, and risk-taking. As the name suggests, a feasibility analysis is designed to assess whether your project is, in fact, feasible or possible. The analysis is an evaluation and assessment of a project, which aims at supporting the process of informed decision-making by objectively and rationally uncovering its strengths and weaknesses, opportunities, and threats, as well as identifying the resources required to carry it through and ultimately its prospects for success. The analysis examines all aspects of a proposed project, such as technical, legal, financial, social, and environmental.

Why?

Generally, feasibility studies precede technical development and project implementation. By looking at your project from different perspectives at an early stage of the innovation process, you will be able to decide whether the proposed project is worth pursuing, before committing resources, time, and budget. You also have the possibility to identify and handle possible risks and threats that can occur on the journey towards implementation.

Also, a feasibility study might uncover new ideas that could completely change a project's scope. Conducting a feasibility study is always beneficial to the project as it gives you and other stakeholders a clear picture of the proposed project.

Below are some key benefits of conducting a feasibility analysis:

- Aids decision-making on the project
- Provides valuable information for a "go/no-go" decision
- Narrows the business alternatives
- Increases the chances of succeeding by evaluating multiple parameters
- Improves project teams' focus
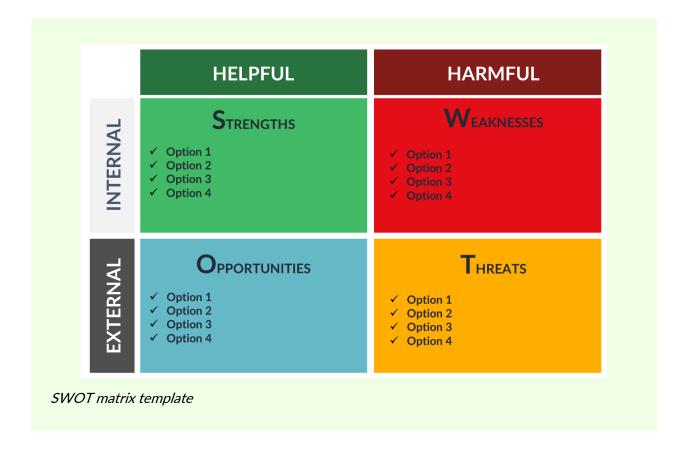- Identifies new opportunities

How?

In this tool we suggest mapping out your innovation project's Strengths and Opportunities (internal factors), Weaknesses and Threats (external factors) by using a SWOT-template.

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SWOT matrix template

Step by Step!

Below we present some important aspects to consider when carrying out your analysis.

1. Technical Feasibility

This assessment focuses on the technical resources available to the organization. It helps organizations determine whether the technical resources meet capacity and whether the technical team is capable of converting the ideas into working systems. Technical feasibility also involves the evaluation of the hardware, software, and other technical requirements of the proposed system which is strongly tied to the following paragraphs.

2. Economic and Financial Feasibility

This assessment typically involves a cost/ benefits analysis of the innovation (see more details on Health Economics in 2.3), helping organizations determine the viability, cost, and (health) benefits associated with a project before financial resources are allocated. It also serves as an independent project assessment and enhances project credibility—helping decision-makers determine the positive benefits to the organisation that the proposed innovation will provide.

Even though profits might not be your primary driving force, you also need a sustainable business model. How feasible is it that incomes will cover costs long term, so that you are able to scale, handle long term operations, continuous updates, improvements etc.?

(read more about choosing the right business model in 2.4)

3. Market Feasibility

How do users and stakeholders respond to the challenge today (use your insights from 1.2 Validate needs and 1.4 Analyse the context)? How big is the problem that you are addressing and how large is the potential market? What competing solutions are out there (sometimes status quo

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could be your toughest competitor)? How is your solution unique? What are the trends – will there be an increased or decreased demand for your kind of solution?
Try to be your own devil's advocate and be honest about potential market obstacles.

3. Legal Feasibility

This assessment investigates whether any aspects of the proposed project conflicts with legal requirements like zoning laws, data protection acts, data sharing, or health and safety regulations. Products that are defined as medical devices (see definitions under Article 2 EUR-Lex - 02017R0745-20200424 - EN - EUR-Lex (europa.eu)) and used within the EU, must be CE-marked, which means that the product fulfils legal requirements on performance, quality and safety. Getting your product CE-marked could be a time- and cost consuming endeavour.
Legal assessment also includes investigating if there are any intellectual assets that you could protect.

4. Operational and Organisational Feasibility

This part involves assessing whether both the internal organisation (the project team) and the external organisation (the implementing body) has the capacity needed to go through with the innovation project.
Does the project team have all necessary skills? If not, how can you get it? Do you have the contacts and networks needed? What is the likelihood of forming favourable strategic partnerships and attracting skilled employees?
What about the innovation capacity within the implementing organisation? Is it feasible that they will adopt your innovation? If not, what measures are needed? Are you ready for systematic change management (ie handling transition in an organization)? Do you have enough understanding and insights on how the implementing body functions and is structured? Who takes decisions on new collaborations and implementation of new products/services? And how does your innovation fit into existing structures, procurement processes and reimbursement systems?

5. Social and Cultural Feasibility

Social and cultural factors might vary a lot when implementing in different contexts, regions, and countries. Make sure to analyse demographics, health- and lifestyle factors, social trends, societal attitudes, and behaviours.

6. Other external factors

Besides the aspects mentioned above, there might be other external factors that you cannot influence, but that will influence your chances of succeeding, for example: inflation and interest rates, unemployment, political unrest, infrastructure, tax- and trade policies and climate change.

When you're done with your SWOT, it's time to look at if and how obstacles can be addressed. You could rate the seriousness of different aspects influencing your project. The result of the analysis could be a go/no go decision, a decision to update and tweak your solution, or to go in a completely different direction.

Remember to revisit your analysis from time to time since you will gain new knowledge continuously throughout the project which might change the overall feasibility of the project.

In the end it's up to you and your team to decide how much time, money, and energy you are willing to spend to overcome obstacles. After all - innovation is all about problem-solving.

Disclaimer: This tool is part of a curated collection of tools that have been chosen and tested in different projects by CESH team members.

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Resources/Sources:

[Feasibility studies - Innovation and Research // Luxembourg](#)
https://www.simplilearn.com/feasibility-study-article
[11.3 Conducting a Feasibility Analysis - Entrepreneurship | OpenStax](#)
https://libguides.libraries.wsu.edu/c.php?g=294263&p=4358409

[Try your own SWOT Analysis (link to template)](#)

← **2.1 Develop the concept**   **2.3 Plan for impact management** →

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