



Session 3 and 4: Fact-finding and Feasibility Make a Good BP

Session 3: Introduction to Fact-finding and Feasibility Analysis

During this session, participants will get an overview of what are Fact-finding and Feasibility. This is done before lunch so that they can think about it over lunch, begin to ask questions, or absorb some of the information. The session will comprise the following:

Session Plan

Lecture: “What is the difference between Fact-finding, Feasibility and Business Planning?” and “Basic Characteristics of a Feasible Project”: 30 minutes

1. *The lecture will first define each and then illustrate how they are different*

The primary differences are as follow:

Fact-finding: the first step after a core idea has been developed. An entrepreneur gathers the facts that will be used to validate its feasibility. The major components of fact-finding can be divided into location, technology, fuel, customers, and regulatory and institutional issues.

Feasibility: takes the facts and tests them to see whether or not the idea is valid and feasible.

For example: Facts are gathered on the customers. Facts included things such as what they are currently using for fuel, how often they purchase it, and how much it costs. Now you would take those facts and compare them to the service/product you wish to provide. An illustration can be done on flip charts (large notebooks of paper in the classroom) as follows:

Present Energy Source(s):

- *Current energy source:
- *Purchase frequency:
- *Price:
- *Reliability:

Proposed Product/Service:

- *Current energy source:
- *Purchase frequency:
- *Price:
- *Reliability:

The facts under your proposed service MUST be more attractive then the current energy source for the project to be feasible. If your product/service is NOT more attractive you can think about a marketing plan that would attract customers to your product/service. This will have to be well documented for investors/lenders. Revisit why it is important to lenders/investors.



Business Plan: The Business Plan puts together all of the info as well as a detailed financial section and presents it in a manner that will convince investors/lenders to provide money.

2. *The 13 Feasibility Questions will be introduced*

The 13 questions are attached and can be found in Chapter 2 Checklist E of the toolkit. These should be read through.

3. *Use the slide attached to illustrate how information collected at each stage (IDEA to Fact-finding to Feasibility to Business Plan) flow from one stage to the next. This slide helps illustrate what they do with the info at each stage.*

<u>SUMMARY</u>	
Delivery Method:	Lecture
Training Technique	Lecture
Total Duration:	30 minutes
Toolkit Chapter:	Chapter 1 and Chapter 2
Participants' Materials:	None

Session 4: Building a Good Business Plan: Fact Finding and Feasibility Analysis

In this session, participants learn that feasibility analysis and fact finding are the foundations upon which to build a good business plan. The session utilizes lessons learned about: (a) the core project idea; (c) what investors look for in a project; and (d) the business plan as a tool to attract investors. By the end of the session, participants will be able to:

- The types and quality of facts (raw data) and information (analyses/interpretation of the raw data) required to establish the feasibility of the proposed enterprise
- Determine where the required facts may be obtained from
- Tell what is, or is not, a feasible business idea.

Session Plan

1. *Lecture: An in-depth look at Fact-finding: 30 minutes*

The trainer makes a presentation on fact finding as it relates to feasibility analysis and business planning. Detailed information on how to deliver this session will be provided



shortly. Section 3 and 4 will be a fundamental part of the “Train the Trainer” activities. Basically it calls for going through each of the headings (Location, Tech., Fuel, Customers and Macro issues) and describing why each is important.

2. *Exercises: Toolkit Chapter 2, Checklists C and D; Chapter 2, Checklist G: 30 minutes*

Trainer provides each participant with copies of Checklists C, D and G from the Toolkit Chapters 1 and 2 (end of each). Trainer verifies that participants understand the instructions for the exercises, and that they have all the required materials and resources (technician role). Goal is to feed into following discussion to get an idea of how they feel about the level of detail and then convince them that this task must be completed and can be completed by themselves.

Step 1. Scan checklists C, D and G, *keeping the product or service you will be selling in mind*. Do the following three types of marks:

- Check off those facts that you have already answered,
- Make another mark using a different symbol for questions where you know where to find the questions, and
- Mark using another symbol those questions that you have no idea how to gather.

Step 2. Think about where the selected facts are most likely to be found and how you would go about gathering them. Some methods to consider:

- a. Do it yourself by: reading documents, direct observation, interviews [telephone, face-to-face, email], internet search, etc;
- b. Hire one or more experts.
- c. Combination of (a) and (b).

3. *Discussion: Is the amount of facts that must be gathered reasonable? How long will it take?: 30 minutes*

After participants have completed the assignment, trainer leads a guided discussion on fact finding and feasibility analysis. Trainer provides information and structure to the discussion. The goal of this section is to tie together the information learned under the investors section with the data that must be gathered for a business plan. The trainer also has an opportunity to learn what the obstacles are for the entrepreneurs.

Summary of trainer roles:

- Facilitator: organizes fact finding exercises and maintains an enabling environment for learning of data gathering skills and knowledge to happen.



- Presenter: Supplies new information about fact finding as the foundation of feasibility analysis.
- Contributor: Adds missing points of view and points out interpersonal dynamics that may hinder the group while participating in guided discussion.
- Challenger: Asks probing questions designed to encourage deeper understanding of the need for fact finding.
- Resource librarian: Provides the group with access to data sources, equipment required for fact-finding practice.

SUMMARY

Delivery Method:	Lecture; exercise; discussion
Teaching Technique:	Guided Discussion
Total Duration:	1.5 hours
Toolkit Chapters:	Chapters 1 and 2
Participants' Materials:	Checklists C, D and G.