Venture Feasibility and Business Plan Checklist

The following extended checklist includes the type of questions a founder should be able to answer when evaluating the feasibility of her or his venture. The information should be clearly stated in a business plan for investors and lenders to evaluate. The checklist also includes questions pertaining to expansion, and should be reviewed to ensure the expansion strategy is both logical and feasible. Not all questions will apply to all ventures.

MARKETING RESEARCH AND PRODUCT STRATEGY

☐ Have the industry and economic trends that contribute to creating an opportunity for the venture been identified? Are they realistic? Do they include a long-term analysis?

☐ Have the key differentiating factors for the venture been identified? Are those factors important to the target markets that have been identified?

☐ Does the competitive analysis address the core service and product factors? Is the research detailed?

☐ Has a detailed analysis of the target markets been prepared? For consumer products: does the demographic/psychographic/usage pattern analysis indicate a need for the venture? Does the trend analysis indicate long-term need? For business-to-business ventures: has the specific market niche been identified and the purchasing patterns analyzed? Are the assumptions pertaining to potential need realistic?

☐ Have specific niche strategies been developed? Is the strategy easy to duplicate by competitors?

☐ What specific strategies have been developed to ensure continued competitive advantage?

☐ Has a CRM system been developed/designed?

☐ Is there potential for growth in other geographic areas or industries?

☐ Could the concept be franchised?

☐ Are there any costing/production efficiencies created by the venture? Is technology utilized in creating a differentiation or costing benefit? Is the benefit long term or
short term?

☐ Has the venture benchmarked the best practices and products from the competition?

**MARKETING STRATEGY**

☐ Is the marketing philosophy logical and clearly stated?

☐ Has a detailed sales forecast been prepared? Is it realistic? What percentage of the market is required to make the venture feasible?

☐ Is the communications strategy effective in reaching the target markets? Is the budget comparable to the industry (have the FPIs been referred to)? Have a range of advertising and promotional venues been evaluated and a detailed, costed, and multi-streamed campaign been developed? Has a contingency promotional strategy been developed if sales fail to reach the forecast?

☐ Is the web-based communication effective?

☐ Has the product been test-marketed?

☐ Has a customer survey or feedback process been developed?

☐ Have sample advertisements been developed and costing quotes received?

☐ Have appropriate packaging and delivery strategies been developed?

☐ Does the price/quality grid indicate the venture’s product is correctly priced?

☐ Does the pricing strategy fit the target markets, the competitive environment, and profit goals?

☐ Has future product development been identified, and is it adequate to maintain the venture’s competitive position?

**THE MANAGEMENT TEAM AND HUMAN RESOURCE PLANNING**

☐ Has the founding management team been identified, and their roles, compensation, and authority been stated? Do they have the skills to launch and grow the business? If not, has the training they need been identified? Are managers committed emotionally and financially to the success of the venture?

☐ Have the jobs required to operate the business been identified, job descriptions been developed, and compensation been clarified? Are skilled staff available to fill the
positions? Have the labour laws for the province of operation been checked, and standards, such as overtime payment, been clarified?

☐ Has payroll been created, or contracted out?

☐ Has a mission statement been developed? Have SMART short-term and long-term goals been stated?

☐ While the disciplinary, feedback, and training processes may not have been developed, have they been identified as required and a management person assigned to develop them in the first few months of operation?

☐ Has the management team discussed how it will communicate, and how decisions will be made?

☐ Has the management team discussed the leadership style it will employ, and the motivational techniques that could be implemented articulated? Is the role of staff with regards to serving the client clearly understood?

☐ Has the founding team identified what professionals are required to guide the venture? Has an accountant been identified to participate in tax planning and preparation of financial statements?

☐ Has a mentor with industry experience been identified?

☐ Has a clear and detailed GANTT chart or timeline been developed to identify milestones and deadlines?

☐ Has harvesting and exit potential been discussed?

☐ Has a board of directors been created?

**LEGAL AND RISK MANAGEMENT**

☐ Has the legal structure been created? Has a minute book been created if the venture is incorporated?

☐ Has a partnership or shareholder agreement been created and signed?

☐ Is the ownership clearly stated, and future profit sharing outlined so that conflict will be avoided?

☐ Has insurance been obtained?

☐ Have quality control processes been identified to reduce operational risks?

☐ Have licenses and local permits been obtained?
☐ Has a BIN/GST number been secured, and filing for employees established with Canada Revenue Agency?

☐ If patents or copyright are required, have they been secured?

☐ Has a secure place been obtained to store records (such as HR files, agreements)?

☐ Have contracts been developed if necessary?

☐ Have municipal, provincial, and federal requirements been identified and addressed?

**OPERATIONS**

☐ If manufacturing: has the location been accessed according to proximity to customers, human resources, costing, size etc?

☐ If product/technology: has a prototype been developed? What are the major barriers that could arise in getting the product to market from a production viewpoint?

☐ Have suppliers been identified and an accurate costing developed?

☐ Is the facility layout efficient? Is storage available?

☐ Have the operating costs been identified?

☐ Has a quality control process been identified? How will quality be ensured?

☐ Have production schedules been developed? Are they reasonable?

☐ What is the expansion capability of the location?

☐ Has the costing of the product or service been compared to industry data? Is it reasonable?

☐ Have renovation or maintenance costs been identified?
FINANCIAL AND ACCOUNTING

☐ Has an accounting system been established? Does it provide the detail necessary to control costs? Who will input data and maintain the books?

☐ Are the pro forma financial statements and the cash flow detailed and realistic? Have costs on the income statement been compared to industry for reasonableness? Are assumptions clearly stated? Have contingency statements been prepared?

☐ Have fixed costs and variable costs been clearly identified? Is the break-even reasonable? What percentage of capacity is required to break even? Is it realistic?

☐ Has a point-of-sale system been purchased? Have credit terms for customers been established? Have bank accounts been created? Who has signing authority? Is it clear?

☐ How will inventory be tracked? Has a system or process been identified?

☐ Has a detailed start-up cost chart been created?

☐ Has the operating capital required been clearly identified?

☐ Does the financing proposal, for investors or lenders, make sense given the industry, the type of venture, the opportunity for harvesting, and the industry risk? Is the funding clarified for both short-term (such as inventory) and long-term (product development, leasehold improvements, equipment purchase) requirements? Is the venture profitable?

☐ Has a repayment or harvest strategy been clearly stated? Is it realistic (i.e., is the debt repayment feasible)?

☐ Are the accounting, inventory, production, and other systems integrated and compatible?

☐ Is collateral available for lenders?