

Feasibility Study

Chapter 7

Introduction

- To determine what the candidate system is to do by defining its expected performance.
- Thus a feasibility study is carried out to select the best system that meets performance requirements

Types of Feasibility Study

- Economic Feasibility
- Technical Feasibility
- Behavioral Feasibility

Economic Feasibility

- Also known as cost benefit analysis
- To determine the benefits and savings that are expected from a candidate system and compare them with costs.
- If Benefits outweigh Costs, then the decision is made to Design and Implement the system.

Technical Feasibility

- It checks whether the existing computer system supports the candidate system or not or up to what extent it supports.
- It basically centers around Hardware, Software etc.

For e.g. Current Computer is operating at 77 % capacity and running another application can Overload the system so need new system.

Behavioral Feasibility

- An estimate should be made of how strong a reaction the user staff is likely to have towards the development of a computerized system.
- It is common knowledge that computer installation have something to do with Turnover, Transfers and changes in employee Job Status.

For e.g. SBI Bank.

Steps in Feasibility Analysis

1. Form a project team and appoint a project leader
2. Prepare system flowcharts
3. Enumerate potential candidate systems
4. Describe and identify characteristics of candidate systems
5. Determine and evaluate performance and cost effectiveness of each candidate system
6. Weight system performance and cost data
7. Select the best candidate system
8. Prepare and report final project directive to management