

ing a consultant from among those responding to the RFP, first identify which ones provide the type and quality of answers needed to adequately assess your business idea. Then select the consultant who can provide the required analysis for the least cost.

Consultants often feel pressured to tell you what you want to hear. Farm groups usually are excited about a business prospect and, without realizing it, indirectly influence the consultant to tell them what they want to hear – “the proposal is a good idea.” So, communicate to the consultant that you want an accurate assessment of the feasibility of the venture.

How will you monitor the progress of the study?

Hiring a consultant does not negate your responsibility for insuring that the feasibility study is conducted properly. You need to be engaged in the project and the evaluation process, understand the issues involved, question the basic assumptions used in the study, and challenge the conclusions of the study.

A member of the project committee or a small group of members can be selected to work with the consultant. They function as the liaison between the consultant and the rest of the committee members to insure that the study progresses according to the wishes of the project committee. To adequately perform these duties they must have a thorough understanding of the project. They must also understand the purpose of the study and be knowledgeable of the provisions of the consulting contract. They will:

- Represent the project committee’s needs and interests to the consultant
- Review and clarify what is needed from the consultant
- Monitor the work of the consultant
- Provide periodic reports to the project committee

How to accept or reject the study?

At the end of the study, the consultant will provide the committee with a draft of a final report. Before

you start discussing the conclusions of the study and what impact they have on the viability of your project, you must first review the study to determine if it is accurate, relevant and complete. It is not uncommon for the project committee to reject the draft of the report and ask for further clarification and analysis.

The study is only as strong as its weakest part. It takes a mistake in only one part of the study to sink the business venture. So, before you accept the study you should determine that it:

- Is understandable and easy to read
- Addresses all of the relevant issues and questions
- Lists and discusses all of the underlying assumptions of the project analysis
- Meets the expectations of the project committee
- Is logically consistent within sections and among sections
- Is thoroughly researched using good research techniques
- Contains all of the relevant information
- Meets the conditions of the consulting contract

It is important that you meet this “due diligence” requirement because investors and others may question your procedures and decisions during this period if the business venture eventually fails. You may want to discuss this with your attorney to make sure the proper safeguards are in place.

How to use the study results?

The purpose of the feasibility study is to provide you with the information needed to determine if the proposed business venture is viable. However, it will probably not provide you with a magic answer. So you will need to carefully assess the conclusions of the study and decide if the proposed business venture has sufficient merit to move forward.

If ever there is a time for unemotional, rational and logical thinking, it is now. Mistakes at this time

may be with you for a long time. Common mistakes made by groups at this stage are:

1. The committee members have already made up their minds and rationalize the study results to fit their decision.
2. Because project committee members tend to be action oriented rather than deliberators, they become restless to move forward with the project and gloss over important aspects of the study.
3. Because of the importance of the decision and the lack of clear direction from the feasibility analysis, committee members find they cannot bring themselves to make a decision. Rather, they continually seek more information.
4. The committee members become confused by the array of information presented to them and pressure their consultants and others to give definitive answers of whether to move forward with the project. When committee members respond to questions pertaining to why they moved forward with a project by replying, "our consultants said it would work," are abdicating their decision making responsibility.

... and justice for all

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Issued in furtherance of Cooperative Extension work, Acts of May 8 and

June 30, 1914, in cooperation with the U.S. Department of Agriculture. Jack M. Payne, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.