Feasibility Studies in Unstable Economic Times

By

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A quality feasibility study depends on collecting the right data, analyzing and interpreting the data accurately, and providing your nonprofit with recommendations that guide you through your capital campaign.

The current economic period is *uniquely unstable.* This core reality makes a significant impact on the way your feasibility study must be conducted. Prospective funders are experiencing financial stresses as never before, and they are finding it difficult to assess their current and future ability to make large dollar commitments. Your feasibility study must recognize and respond to this new economic reality.

A Feasibility Study shouldn't simply attempt to determine whether funding is available for your capital campaign. The issues it should address are far more complex. The *real purpose* of your feasibility study is to answer nine questions:

- Is your proposed campaign goal realistic and, if not, what is a realistic goal?
- Who are your best individual, business and foundation prospects?
- What are your best campaign strategies given the economic and community context in which your campaign will be conducted?
- Are you making the best case for support to your prospective funders and, if not, what changes should be made to strengthen your case for support?
- Should you delay or move forward with your campaign?
- What is the most realistic timeline for the campaign?
- What campaign leadership can and must be recruited to ensure campaign success?
- What are several key opportunities for leadership gifts during the silent phase of your campaign?
- What internal readiness steps must you take to mount a successful campaign?

Stonehill recommends what we call a *data- intensive* feasibility study strategy. This means more rather than less data are required from study participants to create a solid base to build reliable analysis and dependable recommendations for your capital campaign.

To create this data base it's imperative to conduct as many as 45 to 60 personal (face-to-face) interviews with study participants and often supplement these interviews with online, telephone or mail interviews, and focus groups as necessary. The number of personal interviews is critical because a significant amount of important content can only be gathered by a qualified interviewer allowing the study participant opportunity to make comments or observations seemingly tangential to the specific question being asked, and then carefully bringing the interview back on track.

Stonehill defines this tangential data as *fugitive information*. Fugitive information often can make an essential contribution to your feasibility study. Every feasibility study is unique, largely because of the fugitive information that emerges during the interviews. For example, fugitive information may identify:

- Previously unidentified capital campaign prospects.
- Important contextual issues not specifically sought within the framework of the initial survey instrument.
- Critical community issues that will have a significant impact on your campaign and campaign volunteers.

To make fugitive information useful, Stonehill recommends the data being collected must be reviewed at key points throughout the interview phase of your study to see if there are unusual patterns, emerging issues or anomalies in the data that must be examined in more detail. This also prepares us to increase the number of face-to-face interviews conducted or, if necessary, supplement personal interviews with other data acquisition strategies.

We recognize that in these times of tight budgets, it is tempting to try to reduce the cost of the feasibility study by reducing the cost of data collection. However, this is exactly the opposite of what is required in an economically unstable period. If you compromise on the quality of data collected, the resulting analysis and recommendations in your feasibility study will not be predictive.

About the Authors

T. Scott Smith, MA and John Kivimaki, CFRE are founders and principals of Stonehill Consulting Group, LLC, a firm that provides consulting services to nonprofit organizations, businesses, foundations and government agencies that impact the nonprofit world. Stonehill's services include: fundraising, board development, strategic planning, emergency and transition management, executive search, and organizational capacity building. The authors are experienced nonprofit executives and have provided consultation to international, national, regional and local organizations and governments. In addition, they have taught at the Fundraising School at Indiana University, the Regis University Master of Nonprofit Management program and other university settings.

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