

# Strategic Role of Feasibility Study in Entrepreneurial Profitability and Project Management

**Dr Ernest Jebolise Chukwuka**

Department of Entrepreneurship and Business Innovation

University of Delta, Agbor

and

**Florence Konye Igweh Ph.D**

Department of Business Administration

University of Delta, Agbor

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**Abstract:** *This Study investigates the Strategic role of Feasibility Study in Entrepreneurial Profitability and Project Management as well as to ascertain the extent at which Small and Medium scale businesses undertook feasibility studies prior to setting up their businesses. Specifically, the study was to determine the relationship between feasibility study and entrepreneurial profitability and to ascertain the extent feasibility studies can affect project management. One hypotheses was formulated in line with the objective of the study. Survey research design was adopted. Data were obtained from questionnaires and analyzed with five-point liker's scale and the three hypotheses formulated were tested using t-test statistical tool with aid of SPSS statistical package version 20.0. From the analysis, the study revealed that there is a significant and positive effect of feasibility study on entrepreneurial profitability and project management. This means that feasibility study is very essential for any project success. Small and medium scale businesses studied ensures adequate financing, considered competitors and embarked on market evaluation or determination prior to commencement. Based on the findings, entrepreneurs should endeavour to carry out proper feasibility studies before embarking on any business venture of their intent as this helps them to ascertain if the business is viable or not. The researcher recommended among others that Government should assist entrepreneurs in documenting reliable market information and ensure easy accessibility of fund, as this can increasing their interest in feasibility study.*

**Keyword:** *Feasibility study, project management, Business Viability, Market Analysis, Profitability, SME'.*

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## 1. Introduction

A feasibility study is necessary for every business opportunity, even if it seems like an affordable option with guaranteed sales increases or lower costs (Mohammed,2014). This is because each opportunity involves adding a product, opening a new location, acquiring another business, or changing an aspect of your internal operations (Godfrey, 2020). Determining if an opportunity is good for you can be aided by comprehending the fundamental ideas behind distinguishing the tangibles and intangibles associated with these kinds of business decisions.

Before beginning the design and construction of a project, a feasibility study is the first and most crucial step. The success of a project will be directly impacted by how well the feasibility study performs. Traditionally, the project client or consultant will calculate the project feasibility study by taking into account financial factors including return on investment, market supply and demand,

and risk analysis of the current conditions (Echetama 2016). It has been acknowledged that one of the most frequently misinterpreted steps in project development is the feasibility study. Despite this, it is the most crucial stage since errors made here have the potential to seriously and permanently impair the project's performance. Therefore, a comprehensive and successful feasibility study is more than simply a collection of financial forecasts; it may develop into a strategic strategy driven by the market and a roadmap for all decisions that follow.

The research will attempt to ascertain the reasons behind the relevance and significance of feasibility studies in the establishment of small and medium-sized enterprises in the Asaba metropolitan area. In view of the aforementioned, the research paper aims to investigate Asaba, which is situated in the current Oshimili North Local Government Area of Delta State, Nigeria. Delta state is one of the nation's 36 states, home to approximately 5.6 million people, with Asaba's population estimated to reach roughly 205,000 by 2022 (deltastate.gov.ng). Asaba, a commercial center in the area, was selected for the research because it provides services to the nearby "popular" Onitsha Market, where a large number of small and medium-sized enterprises (SMBs) have their operational bases and retail locations. The relationship between feasibility studies and SMBs and their overall business performance is also attracting more and more attention from the academic community (Godfrey, 2020). Furthermore, SMEs in Asaba have encountered a variety of challenges, as is typical for newly established companies, such as funding accessibility, marketing, global competitiveness, raw material availability, trained labor, technological improvements, and inadequate feasibility studies.

Asaba offers a conducive environment for economic growth and the presence of policies that support the expansion of enterprises, such as the free trade zone and company tax exemptions for startups. That being said, this admirable and charming quality does not by itself eliminate the potential danger present in the corporate environment. Despite their propensity for taking risks, a number of companies and entrepreneurs have entered the market without doing a thorough assessment of every prospective organizational contact, both internal and external, as well as their capacity to manage any ensuing exposures. As a result, many enterprises that barely make it through the first six months to a year of existence have had to be wound up. It has been noted that a significant portion of SMEs in Asaba have failed as a result of their incapacity to endure socioeconomic shocks. In light of this, the study investigates the strategic role of feasibility studies for Entrepreneurial Profitability and Project Management .

## **2. Literature Review**

### **2.1 Concept of Feasibility Study for Project Management**

In order to determine the chance of a project succeeding, a feasibility study examines every aspect that is crucial to the project's success. ROI, or return on investment, is a key indicator of business performance as it represents the projected returns from the project (Echetama 2016). But Mohammed (2014) argues that a feasibility study assesses the viability of a system or project. A feasibility study includes an objective and logical investigation of a possible business or enterprise to ascertain its advantages and disadvantages, opportunities and dangers, necessary resources, and chances of success in the long run. The necessary cost and projected value are the two factors that should be taken into account while determining feasibility. A proposed plan or project's viability is assessed in a feasibility study. A feasibility study includes an assessment of a project or venture's viability to ascertain its likelihood of success. A feasibility analysis, as its name suggests, is used to assess an idea's viability, including whether or not a project is both technically and legally

possible and commercially viable. It indicates if an undertaking is worthwhile investing in certain instances, it may not be feasible. This can be caused by a variety of factors, such as the need for excessive resources, which not only keeps those resources from being used for other purposes but may also result in higher costs than an organization would incur from taking on an unprofitable project. The historical history of the company or project, including the product or service description, accounting statements, operational and managerial details, marketing research and policies, financial information, regulatory needs, and tax duties, should be provided via a well-designed study. These investigations often come before technical development and project execution.

## **2.2 Project management and Feasibility Study**

The process of arranging, planning, and managing resources to successfully accomplish certain project goals and objectives is known as project management. A feasibility study is an initial investigation to ascertain the benefits and viability of a proposed project or enterprise. An unbiased evaluation of a proposed project's technical, financial, legal, and environmental issues is what a feasibility study is supposed to give (Echetama 2016). Decision-makers can then use this information to decide whether or not to move forward with the project.

A realistic project plan and budget may also be made using the findings of the feasibility study. It cannot be simple to determine whether or not a proposed project is worthwhile without doing a feasibility study.

## **2.3 Categories of Feasibility Study**

Since a feasibility analysis assesses the project's likelihood of success, the study's perceived neutrality plays a crucial role in determining its credibility with possible lenders and investors. There are five different kinds of feasibility a study, each of which looks at a different set of issues and is explained below (Mohammed (2014).

### **2.3.1 Technical Feasibility**

The organization's technological resources are the main subject of this evaluation. It aids in the assessment of an organization's technical team's ability to translate concepts into functional systems and the capability of its technical resources. Evaluating the suggested system's hardware, software, and other technical needs is another aspect of technological viability. To use an implausible example, no company would want to attempt to install Star Trek transporters inside its structure as this endeavor is not now physically possible.

### **2.3.2 Economic Feasibility**

This evaluation usually entails a cost/benefit analysis of the project, which aids businesses in ascertaining the project's feasibility, costs, and advantages prior to allocating financial resources. Additionally, it strengthens the project's legitimacy and acts as an impartial project review, assisting decision-makers in figuring out the positive financial advantages the proposed project would bring to the company.

### **2.3.3. Legal Feasibility**

This evaluation looks at if any part of the project is in violation of any laws, including those pertaining to social media, data protection, or zoning. Assume that a company wants to develop a

new office building in a certain area. The ideal site of the company may not be permitted for that kind of business, according to a feasibility analysis. That organization has just saved a great deal of time and effort by realizing early on that their idea was not possible.

#### **2.3.4 Operational Feasibility**

In order to complete this evaluation, a study must be conducted in order to assess if and to what extent the project can satisfy the needs of the company. Operational feasibility studies also look at how a project plan fulfills the specifications found during the system development process' requirements analysis phase.

#### **2.3.4 Scheduling Feasibility**

The completion of this evaluation is the most crucial to the success of the project since, in the end, incomplete projects will not succeed. An organization assesses the duration of the project in order to determine its scheduling feasibility.

Following a thorough examination of each of these areas, the feasibility study assists in identifying any potential obstacles to the proposed project, such as:

- Internal Project Restrictions: Financial, Resource, Budgetary, and Technical.
- Internal Company Restrictions: Budgetary, Advertising, Export, etc.
- External Restrictions: transportation, the environment, rules and laws, etc.

#### **2.4 Strategic Importance of Feasibility Study**

The organizational goal to "get it right" before investing money, time, or resources is the foundation for the significance of a feasibility study. A feasibility study may reveal novel concepts that fundamentally alter the scope of a project. Making these decisions beforehand is preferable to jumping in without knowing that the project won't succeed. The project will always benefit from doing a feasibility study since it provides you and other stakeholders with a thorough understanding of the planned project.

The following are some main advantages of carrying out a feasibility study:

- Increases the focus of project teams
- Finds fresh opportunities
- Provide important information to help make a "go/no-go" choice.
- Reduces the number of available business options
- Finds a good cause to start the project.
- Increases the success rate through the assessment of several factors
- Assists in making project decisions
- Identifies grounds for not moving forward

In addition to the feasibility study methodologies mentioned above, certain projects need the analysis of additional limitations:

- Internal Project Restrictions: Financial, Resource, Budgetary, and Technical.
- Internal Company Restrictions: Budgetary, Advertising, Export, etc.
- External Restrictions: transportation, the environment, rules and laws, etc.

## **2.5 Benefits of Feasibility Study**

An essential first step in helping project managers decide whether or not to commit time and resources to a project is preparing a feasibility study. By giving them vital information, feasibility studies may also assist a company's management in avoiding embarking on a challenging business venture.

Doing a feasibility study has the added benefit of helping to launch new businesses by supplying details on things like how a firm will operate, potential challenges it may encounter, rivals it faces, and where and how much capital it will need. The purpose of feasibility studies, which attempt to convince banks and financiers if investing money in a certain business initiative makes sense, is to achieve these marketing strategies.

## **2.6 A Feasibility Study Report: What's in It?**

One of the most crucial stages in launching a business is carrying out a feasibility study. This analysis will assist in evaluating the viability and potential for success of your company idea. When performing a feasibility study, a number of aspects need to be taken into account, such as the competition, the marketability of your product or service, the stability of your company's finances, and more. The amount of technology, resources needed, and return on investment should all be included in a feasibility study.

Your feasibility report, which usually consists of the following elements, is a summary of the findings from your study.

- Executive Summary
- Details about the product or service
- Thoughts on the direction of technology
- The marketplace for products and services
- Methodology for marketing
- Organization and Staffing Plan
- The budgetary projections
- Schedule
- Recommendation based on Research

## **2.7 Resources for Feasibility Study Execution**

Recommended best practice

Although each project is unique and has different requirements, the following guidelines should be followed when performing a feasibility study:

- Perform a preliminary examination. Obtaining input on the new project from pertinent stakeholders is part of this. Search for more business cases as well.
- Determine and inquire about the data during the first step to make sure it is reliable.
- To determine market demand and potential for the new idea or business, do a market survey.
- Make a business, operational, or organizational plan. This include figuring out the expenses, duration, and amount of work needed.
- Create a predicted income statement that includes profit, operating costs, and revenue.
- Make a balance sheet for the first day.
- You must recognize and take care of any weaknesses or challenges.
- Make the initial choice to carry out the strategy.

## **2.8 The components of a Feasibility Study**

The following are some recommended components of for carrying out a feasibility study:

- Executive Summary: Compose a story that explains the project, item, or service.
- Technological Considerations: Consider what steps you need to take. Can you really afford it? What is the estimated cost?
- Present-day market: Determine the local and worldwide markets for your strategy, service, or product.
- Approach to marketing: Explain in the thorough explanation.
- Personnel needed: What kinds of people are required for this project?
- Timetable and schedule: Make use of significant intermediate markers to show the project's completion date.
- Financials for the project. The many methods managers may keep track of the money they make and spend on projects are called project financials. Accurate project financials creation and tracking is one of the most crucial parts of financial management.

## **2.9 Purpose of a Feasibility Study**

An essential first step in launching a new company is doing a feasibility study. It is a thorough analysis of the likelihood of a proposed business venture's success. A feasibility study seeks to furnish business owners with data that will enable them to make well-informed decisions on their proposed endeavor.

The feasibility study will provide significant insights into the planned business, such as:

- Which market does this firm want to target?

- Who are the competitors?
- What are the startup and operating costs of this business?
- What are the possible risks and benefits of this business venture?
- How much money can this company make?
- What are this business's projected earnings and losses?
- What room for expansion does this industry have?

## **2.10 Entrepreneurial process**

Entrepreneurship has long been a focus of research in the domains of management, organizational behavior, and psychology as a key route to accumulating personal wealth, increasing social employment, and promoting societal prosperity and growth (Raynolds et al., 2004). Academics have long focused on business success since it is the ultimate objective of entrepreneurs. Despite having a far higher entrepreneurial activity index than other nations that prioritize innovation, China's rate of entrepreneurial success has not been particularly high (Yang et al., 2019). Scholars are increasingly interested in finding ways to sustain entrepreneurial zeal, advance national policies that encourage entrepreneurship, and boost the success rate of entrepreneurship. Thus, investigating the determinants of business success is very important.

Various viewpoints exist despite the fact that the hypothesis that an entrepreneur's passion is the precursor to their success has been well investigated (Zhang et al., 2019). According to self-regulation theory, people might persist on pursuing an objective if they think it is worthwhile or if they like the pursuit process (Ma et al., 2017). More precisely, having an entrepreneurial passion makes it possible for business owners to relate to the endeavors they undertake and stick with it longer until they find success. According to the resource conservation theory, a person's enthusiasm for entrepreneurship might inspire them to patch together societal resources to satisfy the prerequisites for success in entrepreneurship (Ma et al., 2017). Despite the fact that a great deal of research has examined the internal link between an entrepreneur's passion and success from a variety of angles, it has not addressed personal psychological changes like resilience and self-assurance. According to Luthans and Youssef (2004), self-confidence, resilience, hope, and optimism are fundamental qualities that are inextricably linked to individual achievement. Thus, from the standpoint of personal psychological capital, we may investigate the underlying process of entrepreneurial enthusiasm and success.

According to Luthans and Youssef (2007), psychological capital refers to a person's mental state or characteristics, such as their resilience to persevere in the face of adversity, their optimism about the positive attribution of success, their perseverance in holding onto hope for the goal, and their confidence to make an effort to succeed in the challenge. ..The psychological traits of self-assurance, optimism, hope, and resilience displayed by people when confronted with entrepreneurial obstacles are referred to as the "entrepreneurs' psychological capital" in the area of entrepreneurship (Newwan et al., 2021). According to Goldsmith et al. (2018), the psychological stress hypothesis highlights how psychological capital influences people's decisions about behavior and attitudes. Positive psychological capital enables people to successfully navigate unforeseen issues in entrepreneurship, as well as adapt to obstacles, maintain the flow of business

operations, and respond nimbly to challenges (Syed et al., 2020). Consequently, personal psychological capital is a crucial precondition for entrepreneurial success.

In conclusion, there has to be a relationship between psychological capital, entrepreneurial success, and entrepreneurial enthusiasm. The support of outside entrepreneurial policies will have an additional impact on this relationship. But our research which examines entrepreneurial success and passion from the standpoint of psychological capital is unique (Hatak et al., 2021). Thus, this article investigates the relationship between entrepreneurial passion, psychological capital, entrepreneurial policy support, and entrepreneurial success based on resource conservation theory and social processing theory. It also reveals the internal mechanism through which entrepreneurial passion influences entrepreneurial success, examines the mediating role of psychological capital, and evaluates the boundary effect of entrepreneurial policy support. All of these findings complement and enhance the related research on entrepreneurial success.

The observable, deliberate, and intensely positive emotions that people display when they believe that their entrepreneurial pursuits align with their own entrepreneurial identity while engaging in entrepreneurship are known as entrepreneurial passion (Cardon et al., 2005, 2009). Currently, the consensus in academic circles is that there are two components to entrepreneurial passion: the first is the need for positive feelings towards entrepreneurial activities, and the second is the need for entrepreneurs to subjectively identify with their entrepreneurial identity (Vignoles et al., 2006). To be more precise, entrepreneurial passion is not a universal feeling; rather, it must be stimulated by pursuits that are indicative of an entrepreneur's individuality. People can have an entrepreneurial enthusiasm when they identify as entrepreneurs through certain activities (Cardon et al., 2013). Moreover, Smith et al. (2001) think that, from the viewpoint of individual qualities, entrepreneurial passion is an innate quality of entrepreneurs; they also think that, from the standpoint of motivation, entrepreneurial passion is a motivator to spur entrepreneurs' action. Diverse viewpoints define the meaning of "enterprise passion" in different ways. For the sake of this study, we decided to begin with the definition found in the original (Cardon et al., 2005).

According to Zhang et al. (2019), there are two primary viewpoints on entrepreneurial success: entrepreneurial success and entrepreneur's career success. Lafuente et al. (2013) believed that the success of entrepreneurship primarily depends on the level of marketing, internationalization, financing, and sustainable development; Wickham (2006) divided entrepreneurial success into three levels: economic return, psychological success, and social influence. Rahman et al. (2015) and Steniewski (2016) believed that entrepreneurial success is the continuous growth of corporate performance and non-performance or reaching a high level in the industry. Because they have diverse reasons for becoming entrepreneurs, different types of entrepreneurs focus on the aforementioned three levels in different ways. According to some academics, the standards for evaluating the performance of startups should be split into two categories: subjective and objective, and they should be based on the research viewpoint of entrepreneurs. The realization of personal value, high quality of life, and job satisfaction are examples of the subjective aspects of success (Lau, 2002); the objective aspects of success include things like personal income, the creation of personal wealth, the company's sustainable development, and the rate of employee growth (Perren, 1999; Amit et al., 2001). The aforementioned research indicates that the majority of scholars use both explicit and recessive levels to assess success, using explicit metrics like rate of return and financial indicators and non-financial indicators like impact. Whereas implicit indicators change because of the various traits of entrepreneurs, explicit financial indicators are independent of the



research goal. Since our foundation is the study of individual entrepreneurial success, we have chosen as our metrics the explicit success indicators as seen from the entrepreneur's point of view.

The four dimensions of psychological capital are optimism (full of optimism for the future), self-efficacy (believing that one can complete difficult tasks), hope (the ability to persevere toward goals), and resilience (the capacity to bounce back quickly from setbacks and failures). Psychological capital is a reflection of an individual's positive mental state (Luthans et al., 2010). Psychological capital is seen as a type of psychological resource with comparable status and exploitability, in contrast to other positive core notions. This conclusion is also supported by existing studies. For instance, according to (Luthans et al., 2010), psychological capital is distinct from positive effect, core self-evaluation, and the big five personality traits all of which are distinct from relatively stable and regularly changing personality qualities. It can be grown and developed, and it is in the middle. Many studies on the four aspects of psychological capital have been conducted, and some study findings have been obtained. Previous studies suggest that in order to capture the fundamental synergy of resources, future research should include the four psychological resources into a central concept (psychological capital) (Luthans et al., 2005). Furthermore, the concept of psychological capital as a whole represents an individual's good mental state and positively affects an entrepreneur's entrepreneurial performance, attitude, and conduct.

Supportive policies offered by administrative bodies (like government departments) to lessen the negative consequences of flawed systems on entrepreneurial activity are referred to as entrepreneurship policy assistance. The institutional context that entrepreneurs encounter is crucial. According to (Huang et al., 2019), there are two types of support policies for entrepreneurial endeavors: direct assistance and indirect support. In particular, indirect support policy is an environmental policy tool that primarily offers entrepreneurs higher government efficiency or service level, such as providing a unified office space, factory building, market and technology information exchange platform, etc., which can foster an entrepreneurial environment that supports technology entrepreneurs. Direct support also includes direct resource support, such as financial support, tax incentives, and training. The border effect of policy support for entrepreneurship on entrepreneurial success from these two angles may also be covered in this study.

## **2.11 Entrepreneurial profitability**

Creating a profit is the main objective of any entrepreneurial endeavor. Long-term survival of the firm is contingent upon profitability. It is crucial to assess both past and present profitability as well as forecast future profitability ((Zhang et al., 2019). Some scholars believe that there is a strong link between feasibility study and entrepreneurial profitability.

Profitability is evaluated using revenue and costs. Income is the cash a firm makes from its operations. For instance, revenue is made via the production and sale of cattle and crops. Money entering the company through borrowing, for example, does not, however, generate revenue. This is essentially a cash transaction to create funds for the business to operate or purchase assets between the firm and the lender (Chukwuka 2021).

## **2.12 Theoretical Review**

This study aligned with Laamanen's (2016) Business Concept Theory. The idea states that certain aspects are taken into account prior to starting a new firm (Laamanen, 2016). Laamanen (2016) asserts that the most crucial consideration is "thinking business wise," which means that the prospective entrepreneur has to critically analyze any associated papers or subject matters in order to have a better and comprehensive grasp of company opening. The business concepts theory promotes a methodical approach to new venture creation in order to assist prospective business owners or people with multiple business ideas in understanding how to go about implementing their ideas to make them a reality and possibly remain sustainable, even in the face of environmental challenges in today's business space. The phases that are most commonly associated with the theory of business concepts are the generation of business ideas, feasibility studies (also known as test-passed feasibility analysis), business plan formation, and possible enterprise execution. The development of a new business concept should be followed by a comprehensive feasibility study that covers all the elements or sections of feasibility analysis, such as product, target market attractiveness, organization, and funding. The entrepreneur may proceed with developing a thorough business strategy if the feasibility research is favorable. This might help transform a lucrative company concept into a feasible endeavor (Scarborough, 2013). In addition to providing lenders and investors with a thorough grasp of all topics relevant to the five Cs of credit—capital, capacity, collateral, character, and conditions—the strategy should define the funding process (Scarborough, 2013).

## **2.13 Empirical Review**

Dissanayake (2013) identifies the Krueger and Brazeal's Entrepreneurial Potential Model as the most appropriate model specification to assess entrepreneurial intention due to the proven validity of intention-based models to assess entrepreneurial intention and the non-validity of assessing entrepreneurial intention based on psychological characteristics, general dispositions, personality traits, and demographic factors. The study was specifically carried out among undergraduates in the Department of Commerce and Financial Management at the University of Kelaniya in Sri Lanka. The study's stated hypothesis was supported by multiple regression analysis, and the researcher came to the conclusion that among the chosen students, behavioral beliefs, self-efficacy, and credibility had a substantial impact on entrepreneurial ambition.

Zoi (2013) examines the impact of views on the viability and attractiveness of entrepreneurship on the intents of entrepreneurs and looks into potential distinctions between nations in southern and northern Europe. The 1Flash Eurobarometer Survey (No 283), which was carried out in December 2009 and January 2010, is the source of the data. Our sample is made up of 22156 respondents from 32 different countries. The findings imply that persons living in southern European nations are more likely to have a positive relationship between perceived self-efficacy and aspirations to pursue self-employment. In contrast, it was shown that in northern European nations, people's intents to work for themselves are more heavily influenced by perceived attractiveness. Policy makers in southern European nations that have to raise desirability views should take the study's conclusions into account. The study adds to the body of research on cognitive theory as well as the empirical body that evaluates the effects of perceptions at the national level.

Alireza and Behnaz (2015) examine how organizational culture functions as a moderator in the application of business process reengineering at Iran Air, as well as the impact of technological and human variables. This study's research methodology is applied in terms of its goal and is

descriptive-survey in terms of its approach. There were 312 supervisors, operational managers, intermediate managers, senior managers, and middle managers in the study's statistical population. The statistical data analysis's findings indicate that both technological and human variables have an impact on Iran Air's adoption of business process reengineering. Additionally, organizational culture mitigates the impact of human factors on Iran Air's business process reengineering implementation.

Zahra (2011) conducted an empirical research in Iran to determine the primary factors of company failure. The primary reasons of company failure, according to this empirical study on a sample of unsuccessful business owners and managers, include poor management, a lack of assistance from banks and other financial institutions, an inadequate economic environment, and inadequate government policies. Additionally, this study shows that the company sector and gender have an impact on several reasons of business failure.

Anietie (2012) looked at the problems and obstacles preventing entrepreneurship in Nigeria's Niger Delta from growing. Anietie draws the conclusion that entrepreneurship in the Niger Delta area is at its lowest point based on the data. Put another way, many aspiring and current business owners encounter significant challenges in their endeavors. These challenges are brought on by inadequate infrastructure, barriers to obtaining financing, and cultural elements including ignorance and superstitious beliefs.

The main methods used in Agu and Ayogu's (2015) study were surveys and interviews with business owners in the agricultural industry at three different locations: Igbariam, Awka, and Abakiliki. Secondary data were gathered online, from books, and from journals. With a population size of 686 in the research, a sample size of 230 was obtained using the Taro Yamane formula at a 95% confidence level and a 5% error tolerance. The main instruments utilized to gather the data were the questionnaire and the interview. The questionnaire was distributed in 230 copies, and 208 of those were returned. For this study, a survey research approach was chosen. Using SPSS, the Chi-Square statistical tool was utilized to examine the three hypotheses. The results show that the obstacles to the growth of entrepreneurship in Nigeria are various taxes and levies, a lack of technological knowledge, and unfair competition. On the other hand, technology helps to develop entrepreneurship in Nigeria by reducing transaction times and improving customer satisfaction. The government also contributes to this development by offering research centers and technical support.

The evaluation of entrepreneurship and small and medium-sized enterprises (SME) on sustainable economic growth in Nigeria is examined by Ezejiofor, Olise, Ezenyirimba, and Otugo (2014). A survey research design was used. The acquired data were subjected to means and standard deviation analysis. To determine if entrepreneurship and SME ventures as lucrative endeavors boosted sustainable economic growth in Nigeria, the Z-test statistical approach was employed. The study discovered that entrepreneurship, as a primary source of domestic capital formation in the economy, has greatly enhanced Nigeria's sustainable economic growth by mobilizing individual savings and directing them toward profitable investments. As a result, policies that place a greater focus on technical education at all levels are advised, among other things, in order to train and develop human capital capacity building throughout the nation.

Diyoke (2014) notes that despite the many programs and plans created by various governments at various points in time, the growth of entrepreneurship in Nigeria are extremely sluggish. In this study, a descriptive survey research approach was employed. Data were gathered from primary

and secondary sources, and percentages and mean scores were utilized to assess the information. Chi-square was then used to test the hypothesis. The findings suggested that there are other obstacles impeding entrepreneurial activity in the economy in addition to the well-known issues of insufficient money and insufficiently qualified and experienced management. The violent confrontations between terrorist groups, arson, abduction, looting, and epileptic power supplies are just a few of the issues plaguing Nigeria's economic climate. The study concludes, among other things, that there are many opportunities for entrepreneurship development in the nation with the introduction of business incubators into the system, appropriate handling of political and social economic issues, commercialization and privatization of the power sector, and provision of alternative sources of power supply.

### **3. RESEARCH METHODOLOGY**

The design adopted for the study was descriptive survey research because it made use of questionnaires. This type of survey studied a group of people by collecting and analyzing data from small and medium scale business owners in Asaba.

The population of the study consists of the 156 of small and medium scale businesses in Asaba State, Nigeria. The sample procedure in this study is predicted on the assumption of randomness, normality and representativeness. This is considered to be a fair representation of the population.

The method of data collection was made by the use of data from the primary and secondary sources. Information from the primary source was collected through the researcher's personal administration of the questionnaire to the respondents, enabling further explanation of the questionnaire items. They were left with the respondents and repeated visits were made to collect the questionnaire firms. While information from secondary source come from studies firms, records, company quality, handbooks, manuals, textbooks, journals and other publications related to the research.

### **4.0 DATA PRESENTATION AND INTERPRETATION**

A total of One hundred and fifty six (156) questionnaires were distributed to respondents while only (108) one hundred and eight were returned. The set of returned questionnaires represents the total distribution.

#### **4.1. Criterion, Group Returns, Respondents**

From table I above, out of 156 copies of questionnaires that were distributed, 108 were returned, this represent 69%.

**Summary of responses using five point Liker's scale**

<b>S/N</b>	<b>Questionnaire</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
<b>1</b>	Feasibility studies affects project management and entrepreneurial firms	48	45	5	10	0
<b>2</b>	Most of Small and Medium scale Businesses plan for capital before setting up the business	50	43	5	8	4
<b>3</b>	The issue of funding has been the major thing why planning for establishment of business enterprise.	40	43	3	17	5
<b>4</b>	The provision of adequate source of capital is a means of business survival.	39	49	5	13	2
<b>5</b>	Entrepreneurs thinks of other businesses with similar products or services before setting up another business	57	40	4	7	0
<b>6</b>	The feasibility study on the existing competitors prior to commencement gives room for profit	35	52	5	19	0
<b>7</b>	Small and Medium scale Businesses consider the existing competitors in other to ensure a successful business	45	39	4	16	4
<b>8</b>	Feasibility study on the existing competitors prior to commencement helps in location of the business for a successful venture	46	51	0	10	19
<b>9</b>	Small and Medium scale Businesses maximizes profit due to feasibility studies embarked on nearness of market prior to commencement of their operation	41	58	0	9	2
<b>10</b>	Feasibility study involves cost	49	54	31	1	1
<b>11</b>	Small and Medium scale Businesses plan for the location of the business before setting it up	38	50	2	6	2
<b>12</b>	Plan for the location of the business for high demands from consumers.	35	63	0	7	3

**Field Survey 2023**

## 4.2 Test of Hypotheses

### Hypothesis

**H<sub>iii</sub>: A Feasibility study affects the Business profitability and Project Management of the selected Entrepreneurial firms in Asaba**

One-Sample Test						
Questions	Test Value =0					
	T	Df	Sig (Two tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>9</b>	1.890	4	.132	22.00000	-10.3191	54.3191
<b>10</b>	1.765	4	.152	21.60000	-12.3772	55.5772
<b>11</b>	1.928	4	.126	19.60000	-8.6270	47.8270
<b>12</b>	1.788	4	.148	21.60000	-11.9433	55.1433

From the above one sample t-test table, the five questions give a positive result. The calculated t-value is 7.371 while the table t-value is 1.812. This means that calculated t-value is greater than the table t-value ( $7.371 > 1.812$ ). We therefore reject null hypothesis and uphold alternative hypothesis which states that feasibility studies has a significant and positive effect on Entrepreneurial profitability and project management.

### 4.3 Discussion of Findings

From the analysis result, the study revealed that there is a significant and positive relationship between feasibility studies and entrepreneurial profitability and project management. . Similarly, the study also finds out that; to ensure effective operations and adequate profit, feasibility studies is necessary as it enhance the overall success of small and medium scale businesses. Therefore and entrepreneur must ensure adequate financing; considered the existing competitors and embark on market determination prior to commencement. These variables are all feasibility studies. This result is in line with Mohammed (2014) whose work concluded that feasibility study impact significantly on the growth of a business and reduces the level of exposure to risk and ensures success.

Also, Zahra (2011) indicates differences in some causes of business failure influenced by gender and business sector. In other hand, Anietie (2012) found that entrepreneurs are faced with great difficulties in their entrepreneurial pursuit. Based on the study, these difficulties are occasioned by poor state of infrastructure, difficulty in accessing finance, sociocultural factors such as superstitious believes and ignorance

## **5.1 CONCLUSION**

The role of feasibility studies in the success of a project or business cannot be overemphasized and therefore ought to be carried in a very careful way so that the implementation will yield positive result and lead to the success of the entrepreneur.

From the analysis, the study revealed that there is a significant and positive effect of feasibility study on entrepreneurial profitability and project management. This means that feasibility study is very essential for any project success. Small and medium scale businesses studied ensures adequate financing, considered competitors and embarked on market evaluation or determination prior to commencement. Based on the findings, entrepreneurs should endeavour to carry out proper feasibility studies before embarking on any business venture of their intent as this helps them to ascertain if the business is viable or not. the researchers have been able to determine the ways through which a feasibility study should be carried out so as to yield the desired results.

Furthermore, it is appreciated that adequate time and finance should be made available so as to avoid any rush and financial obstacles in the process of the study.

Finally, entrepreneurs should be enhanced in their management skills for them to be able to carry out this study successfully.

## **5.2 RECOMMENDATIONS**

As stated earlier, the importance of feasibility study in the success of a project or business cannot be overemphasized. For this purpose therefore, the following recommendations are made:

- i. For the fact that managerial skill is very important in the success of feasibility study, the national association of small and medium scale industries in Delta state should periodically organize seminars, workshops and training for managers so as to enhance their skills.
- ii. The government should ensure that basic infrastructure is in place so as to ease the difficulties in conducting this study.
- iii. The financial institutions should reduce the overemphasis that in being laid in collateral in order to enable young entrepreneurs to have access to finance that will aid their study.
- iv. Finally, chambers of enlightenment programmes to educate entrepreneurs of business venture to see if it is viable and profitable as this can also reveal error in project design before they are implemented.

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