

The Role of Economic Feasibility Studies in Evaluating Investment Projects: A Case Study of a Micro-Enterprise Project Funded by the National Entrepreneurship Support And Development Agency (NESDA) - Medea State Branch -

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Abstract:

This study seeks to emphasize the significance of economic feasibility studies in assessing investment projects supported by the National Entrepreneurship Support and Development Agency (NESDA). It also aims to explore how these studies are prepared and implemented in practice, using the example of a project focused on the production of semi-pharmaceutical products funded by the NESDA branch in Medea. By analyzing the business model and economic feasibility of this project, the study ultimately determines that the investment is economically viable based on two key metrics: the net present value (NPV) and the payback period.

Key Words : *Economic feasibility study, Investment project, Business model, National Agency (NESDA).*

JEL Classification: *G23 ,H32*

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1. Introduction

Investment projects serve as the cornerstone of economic and social development in any nation. The success of a development plan largely hinges on the success of its individual projects. Feasibility studies play a critical role in this process, as they help rationalize investment decisions and guide the financing of these projects. There is a clear and strong connection between evaluating project feasibility and the rates of economic growth achieved. This growth fundamentally relies on the efficient use of available economic resources, particularly in the context of mini-projects. The National Entrepreneurship Support and Development Agency (NESDA) plays a vital role in this ecosystem by supporting entrepreneurs through funding and guidance, enabling them to contribute effectively to economic development.

- **Research Problem**

Given the context outlined, the research problem can be framed as follows:

How does an economic feasibility study contribute to rationalizing investment and financing decisions? Additionally, what is the current state of applying such studies to mini-enterprise projects funded by the National Entrepreneurship Support and Development Agency (NESDA)?

- **Importance of Research**

- The economic feasibility study plays a critical role in evaluating investment projects, serving as a vital tool for making informed and sound investment decisions. This is particularly important for small and medium-sized enterprises (SMEs) funded by government agencies like the National Entrepreneurship Support and Development Agency (NESDA);
- By assessing the project's viability from economic, financial, and technical perspectives, the feasibility study helps minimize the risk of failure and enhances the likelihood of success.

- **Research Objectives:**

- To analyze the concept of an economic feasibility study and its significance in evaluating investment projects;
- To apply the feasibility study framework to a mini-enterprise project funded by NESDA;
- To provide recommendations for improving the success rates of similar projects.

- **Research methodology:**

The research adopts a case study approach to examine how economic feasibility studies are prepared and applied within NESDA. This involves analyzing and evaluating the feasibility study of a specific project that the agency assessed for funding approval. Data collection tools include:

- **Interviews:** Conducted with relevant stakeholders to gather insights;
- **Document Analysis:** Reviewing documents and reports provided by NESDA to understand the process and outcomes of the feasibility study.

- **Literature Review**

- **Ben chaa Walid, Alamawi Ahmed, ben othaina bouhafs entitled: "economic feasibility studies as a mechanism for the success of investment projects", Forum for economic studies and research journal, University of Djelfa, Algeria, Volume 3, Issue 3, dated 2020-01-22:** The study is based on the analysis of a series of detailed studies aimed at achieving a clear picture of the investment project before its implementation, focusing on two

main elements: The study highlights that economic feasibility studies contribute to drawing a comprehensive picture of the project, including marketing, environmental, technical, and financial aspects, which helps in avoiding risks and increasing the chances of success, and also emphasizes the need to intensify training and training courses in the preparation of feasibility studies to ensure their quality and effectiveness, as the study found that the success of investment projects depends heavily on the accuracy and quality of economic feasibility studies, and that these studies play a pivotal role in making strategic decisions and identifying the most profitable and sustainable investment opportunities.

- **Tobin Ali, Belhamdi SidAli, Al-hartsi Hamid Abdellah** entitled: **"The role of financial feasibility studies in rationalizing financing decisions-a case study of the financing of the EFB Foundation -"**, **North African Review of Economics and Management, Université Mascara, Algeria, Vol. 5, No. 1, dated 2019-01-02**: This study aims to highlight the importance of financial feasibility studies in rationalizing financing decisions, focusing on the state of financing of the "EURL la Ferme du Bonheur" Foundation by the popular Loan Bank of Algeria (CPA) in 2017, as the study relies on the analysis of a set of financial criteria that clarify the current and future status of the project, such as net present value (NPV) and internal rate of return, and the study concluded that financial feasibility studies play a pivotal role in making rational financing decisions, as they contributed to the acceptance of request financing to the enterprise based on positive indicators indicating the profitability of the project and its ability to repay the loan.
- **Ben Ammar Manal . Ait Mokhtar Omar** entitled: **"The role of feasibility studies in rationalizing financing decisions for investment projects -a case study of the agriculture and Rural Development Bank in the Gulf -"**, **AL-RIYADA For Business Economics Journal -ABEJ-, University of Chlef, Algeria, Vol. 9, No. 2, dated 14-06-2020**: This study aims to shed light on the role of feasibility studies in rationalizing financing decisions for investment projects, focusing on the case of the agriculture and Rural Development Bank (BADR) in the Gulf state, and the study relies on analyzing the types of feasibility studies and their importance in making rational financing decisions, in addition to applying these studies to investment project proposals in the period from 2019 to 2023, as the study found that feasibility studies play a pivotal role in evaluating the feasibility of projects and determining the returns, costs and risks associated with them, which helps in making thoughtful financing decisions, as the results also showed that Badr relies heavily on feasibility studies to ensure the success of Funded projects and minimize financial risks.
- **Aissa nabawia, Obakhti Nasira** titled: **"The role of economic feasibility study in the evaluation of investment projects Case Study of projects funded by the national unemployment insurance fund in Tlemcen"**, **The Journal of Legal and Economic Studies, University Center Barika, Algeria, Vol. 5, No. 3, dated 2023-06-19**: This study aims to analyze the role of the economic feasibility study in the evaluation of investment projects, focusing on projects funded by the national unemployment insurance fund in Tlemcen, the case of the electric lamp production project was studied where the technical, marketing and financial

aspects of the project were analyzed, and the results showed that the project is not economically feasible, as the net present value was negative and the internal rate of Return is lower than the discount rate, indicating the inability of the project to achieve sufficient returns to cover costs, so the study emphasizes the importance of feasibility study as a tool to rationalize investment decisions and avoid useless projects.

Our study is consistent with previous studies by emphasizing the importance of feasibility studies in rationalizing financing decisions and reducing the risk of failure, especially in small and medium-sized enterprises, and also highlights the role of government agencies such as the National Entrepreneurship Support and Development Agency (NESDA) in supporting entrepreneurs by providing financing and guidance, which enhances local economic development, as this study aims to highlight the role of economic feasibility studies in evaluating investment projects with a focus on the case of a mini-project funded by the National Entrepreneurship Support and Development Agency (NESDA), Madaya Wilayat branch by relying on the analysis of a model project work And evaluate its economic feasibility using the criteria of net present value (NPV) and payback period.

2. A conceptual structure for analyzing the financial viability of a project

2.1 The concept of economic feasibility study

An investment project's feasibility study involves a connected and systematic set of scientific approaches used to evaluate potential opportunities, starting from the initial concept phase through to the final decision of whether to approve, decline, or modify the proposal, and as such, feasibility studies require various types of tests and studies on legal, environmental, marketing, technical and financial aspects carried out by a team of specialists in the academic field, Whether within the institution, if it is existing, or with the help of investment studies offices specialized in this field. (Atef & Taha, 2003, p. 12)

In addition, they are comprehensive scientific studies of all aspects of the proposed project or projects, which may be either in the form of detailed preliminary studies, through which it is possible to reach an alternative choice or an investment opportunity from among several alternatives or proposed investment opportunities, These studies must be characterized by accuracy, objectivity and comprehensiveness, as they are a set of specialized studies that are conducted to ensure that the outputs of the project are greater than its inputs or at least equal to them. (Jassim al-Issawi, 2015, p. 40)

Therefore, it is an organized process to help make an investment decision whether or not according to basic commercial, financial, economic, technical and environmental requirements, and study them based on alternative solutions, through identifying problems and opportunities, up to the goals translated into that process in the form of digital values governed by the philosophy of costs and benefits. (Ibrahim Abdelrahim, 2019, p. 9)

2.2 Types of economic feasibility study

Different kinds of financial viability assessments for an investment project encompass the following analyses: (Khadder, 2024, p. 208)

- **Legal study:** assessing the state's position on the proposed project to identify the facilities that it may offer to support its operations, and assess how this influences the project's overall performance;
- **Market analysis:** evaluate the potential market to confirm demand for the project's offerings and determine suitable sales strategies to be followed, and then determine the financial obligations that entail;
- **Technical and engineering study:** determines all the project's requirements, beginning with selecting the ideal site, followed by acquiring the necessary machinery and tools, equipment and other production requirements that it needs;
- **Financial study of the investment project:** a financial analysis is conducted for the investment project, as it holds significant value for both the investor and the lending institution;
- **Social feasibility study:** This study aims to try to assess the effects of the implementation of this project on society as a whole, by knowing its impact on employment, national income, and the balance of payments...Etc. (Ben Aryeh Hussein, 2013, p. 20)
- **Environmental feasibility study**

It is intended to study the mutual impact between investment projects of development programs and the environment in order to reduce or prevent negative impacts and maximize positive impacts in a way that achieves development goals and does not harm the environment and human health, and it also prepares the degree of protection and maintenance that achieves the environment by taking into account the environmental load within the framework of the proposed development plan from the immediate and future perspective in a direct and indirect way, at the local, regional and global levels. (Ousrir, Belhadj, & Maghrawa, 2009, p. 332)

2.3 Economic feasibility study requirements:

An assessment of financial viability is based on some requirements that must be met, the most important of which are as follows: (Awad Ahmed Mahfouz, 2024, p. 470)

- Ensuring access to all necessary data and details aligned with the project's goals;
- Availability of extensive technological and technical expertise to the group of specialized experts conducting an economic feasibility study;
- The ability to process data electronically;
- Full knowledge regarding the financial aspects of comparable initiatives both domestically and internationally;
- Adequate understanding of economic policies, investment laws and those related to it.

3. Evaluation of investment projects

3.1 The concept of an investment project

It can be defined as a proposal to allocate a certain value of the resources achieved at the moment in order to reach the desired goals, and it can be said that an investment project is only an economic planning that needs to study a set of proposed ideas and this study ends with acceptance or rejection of the idea and a trade-off between these ideas; (Dayan, 2004, p. 138)

An investment project is defined as a whole set of activities and operations that consume limited resources, whether equipment, Human Resources, represented by Labor or difficult private financial resources, and it can also be considered a proposal to allocate or sacrifice a

certain amount of enterprise resources at the present time, in the hope of obtaining expected net returns in the future over a relatively long period of time; (Ben Hassan , 2006, p. 9)

It is also defined as any organization owned by an organization based on the combination of elements of production in such a way that certain financial and human resources are used to obtain expected benefits over a certain period of time. (Abdallah & Abdelhamid, p. 18)

3.2 The importance of the investment project

The significance of an investment initiative can be understood through the following aspects: (Al-saraiti, 2008, p. 57)

- Increase income, achieve well-being for members of society;
- Creation of new job opportunities;
- Support the process of economic and social development;
- Increase government income from taxes;
- Development of the state economy, its prosperity;
- Increase national income, gross domestic output.

3.3 The concept of the process of evaluation of investment projects

It involves creating essential benchmarks to guide decision-making of the appropriate alternative or project from among several proposed alternatives, which ensures the achievement of the set goals based on scientific grounds. (Nabawia & Oubakhti, 2023, p. 95)

3.4 The importance of economic feasibility study in the evaluation of investment projects

Assessing financial viability is among the most critical steps criteria that entrepreneurs must rely on when starting to apply any investment idea. the extent of the success or failure of an investment project is related to a set of basic variables, which are limited and addressed in economic feasibility studies, whether as an initial stage, and the whole project is in the form of a real picture with a strategic vision from various angles (financial, technical...Etc.) before its launch, or as a detailed stage in case the project can be implemented in practice;

The preliminary assessment, often referred to as the initial project analysis, forms the foundation for the overall success of the financial viability evaluation during this phase, the planned investment initiative is addressed from several different initial points and combined with each other in to determine whether the project can be implemented in practice or if it should be rejected. this phase additionally not expensive in terms of being carried out either by experts or the individual initiating the project. If the concept proves viable, the process moves from the preliminary assessment to a comprehensive feasibility analysis;

The detailed study in its various These phases aim to validate the practicality of implementing the investment initiative by using data and metrics that represent the project. The success of such initiatives hinges on the precision and thoroughness of the financial viability assessmen: (Ben-chaa, Almawi, & Ben-Outhina, 2020, p. 135)

- The legal study focuses largely on the choice of the nature or legal form of the project and also emphasizes the compatibility of the project with the legislation and laws of the environment of

the country where the project is to be established, any country has its own environmental and legal legislation requires entrepreneurs to study the compatibility among these;

- The market analysis stands as a critical component within the comprehensive assessment, so that it is based on studying the unique elements influencing the demand and supply for the products or services offered by the initiative, based on marketing strategies that serve the project at various stages and assessing the level of competition, identifying key competitors, and understanding consumer preferences, which necessitates an in-depth marketing study in order to determine the project's potential to generate income and evaluate the market's receptiveness to the product or service being offered;
- Similarly to the financial study, it is the most important element after the marketing study, which is looking for achieving an optimal financial structure for the project in order to ensure sustainable financing for it during its life cycle, after studying the difference between cash inflows and outflows, by evaluating and determining both long-term investment costs and operational costs, which are usually short-term, established through the technical and engineering assessment once the project's site has been selected, buildings and machines allocated to it, as well as all the necessary aspects of the production process so that there is a great consistency between the technical and engineering feasibility study and financial study.

3.5 Criteria for evaluating investment projects

Once the financial analysis is completed and the required funding is secured, the assessment phase begins. This step occurs before the execution stage, and based on the evaluation, testing is conducted between projects, using several criteria that vary depending on the decision-making conditions. There are several criteria for evaluating investment projects, where we will touch based on the net present value method and the payback period approach.

3.5.1 Net present value (NPV)

The net present value metric represents the difference between the discounted value of the net cash flows generated throughout the project's lifespan and the initial capital outlay.

The NPV approach adjusts all future cash flows to their present value using a discount rate, which reflects the required return on investment or the cost of capital. (Djasim Elaisawi, 2015, p. 117)

Typically, the NPV can be calculated by assuming the initial investment is made as a lump sum at the project's inception, as described in the following relationship:

$$NPV = \sum_{t=0}^n \left(\frac{CF_n^t}{(1+i)^t} - I \right)$$

If the NPV is less than zero, the project is declined

If the NPV is greater than zero, the project is considered viable.

For competing projects, the guideline is to select the one with the highest positive NPV and disregard the others.

3.5.2 Standard payback period

The payback period method is among the most straightforward approaches applied in project evaluation and its use has prevailed in the U.S. and European regions. The payback period refers

to the time it takes for the project to recoup the invested capital invested in it, or the period when equalization of external and internal cash flows is achieved.

A maximum recovery period is usually specified, called the cut-off period or the acceptable longest time frame for recouping costs.

The decision to approve or decline the project hinges on comparing its payback period to a predetermined threshold. If the payback period is less than the cutoff, the project is deemed viable. However, if the payback period exceeds the cutoff, the project is declined.

When distinguishing between multiple competing initiatives, or when prioritizing projects based on their preference, preference is usually given to the project that has a shorter payback period, and there are multiple methods for determining the payback timeframe, such as the following:

- **Method one:** the payback timeframe is determined based on this method either based on the arithmetic mean of current cash flows, or based on the total accumulation of those cash flows.

When relying on the average of present cash flows, the following equation can be applied:

$$\text{payback period} = \frac{\text{Initial investment cost}}{\text{Average annual current cash flows}} = \frac{I}{\text{MCFN}} = \text{DR}$$

- **Method two:** this approach is more prevalent and widely applied compared to the first, and the payback period is calculated according to this method by calculating current cash flows and after deducting depreciation and tax. This method is used to trade-off between several proposed projects in order to select the optimal option with the quickest recovery timeframe.

The payback timeframe is determined using this approach with the following equation:

$$\text{payback period} = \frac{\text{Initial investment cost}}{\text{Annual net cash flow (annual net return)}} = \frac{I_0}{\text{CFN}} = \text{DR}$$

The most favorable initiative is the one with the shortest recovery time frame

4. Case study for a small business initiative supported by the National Agency for Entrepreneurship Development and Assistance (NESDA) - Medea State Branch -

To accomplish the study's goals, we will introduce and evaluate the viability framework for a mini-enterprise project that was studied and evaluated by the National Entrepreneurship Support And Development Agency (NESDA), but before that we will first touch on the description of the national organization

4.1 Overview of the National Agency for Entrepreneurship Development and Assistance (NESDA)

A governmental organization with a unique status, endowed with legal identity and financial autonomy. It falls under the oversight of the Minister Commissioner for small initiatives, who assists the Prime Minister. The agency aids entrepreneurs in creating and growing small businesses focused on producing goods and services. NESDA functions nationally, with branches in every state across the country. (NESDA, s.d.)

4.2 Viability assessment

feasibility study involves a thorough examination to assess the practicality of a project, helping to determine if it is both viable and financially beneficial whether it meets the set goals, and an investment project (mini-enterprise) funded by the National Entrepreneurship Support And Development Agency (NESDA) will be evaluated through a feasibility study according to the following business model: (NESDA - Medea Branch -)

4.2.1 Project description

The goal of the project is to manufacture a cream against dark spots and market it locally and then nationally, as for the target market are pharmacies, semi-pharmacies, shops selling cosmetics, where there are no partnerships for this project.

4.2.2 Market study

- **Competition study:** They are represented by direct competitors: pharmacies, semi-pharmacies, shops selling cosmetics, And indirect competitors: natural herbal medicine shops, overseas businesses.
- **SWOT evaluation:** this method focuses on identifying the strengths, weaknesses, opportunities, and threats related to the business and its market environment, as outlined below:
 - **Key strengths:** a distinctive product, effective on the skin;
 - **Weaknesses:** lack of raw materials, import;
 - **Opportunities:** support of authorities for start-ups and enterprises;
 - **Threats:** new political laws.
- **Market trends:** the direction of the market locally, then nationally, then opening up towards the foreign market.
- **Market size:** meet the market requirements locally.

4.2.3 The practical plan

which consisted in:

- **Human resources:** work in the field of manufacturing;
- **Track:** buying raw materials and turning them into a canned product and then marketing them;
- **Technology:** manufacturing and packaging machinery;
- **Location:** State of Medea district X.

4.2.4 Risk assessment

They are represented by:

- **Identification of risks:** shortage of raw materials, new policy laws, import of semi-pharmaceutical products;
- **Impact assessment:** lack of manufacturing, problems with marketing, lack of market size;
- **Risk mitigation actions:** increasing suppliers, making an effective product and setting an appropriate price.

4.2.5 Conclusion and recommendations

It includes the aspects outlined below:

- **Key findings overview:** a concise summary of the study's primary outcomes related to producing an effective product and market it locally, and then nationally, using modern technologies and important resources;
- **Final remarks and conclusion:** recommendations on whether to continue the project or not. The project will be continued and expanded by increasing the production capacity and manpower.

4.3 Economic technical study model

4.3.1 Definition of the project holder:

It is according to the following table 1:

Table 1: Definition of the project holder

☐ A normal person	☐ A moral person
Name and surname: X	Name and surname of the company manager:
National Identification Number NIN: X	National Identification Number (NIN) for the company's management :
Personal address: X	Level of Education :
Working Title: X	Certification:
Education Level: University	Name of the institution:
Certificate: Master of pharmaceutical chemistry	Corporate headquarters:
Phone number: X	Legal form:
E-mail address: X	Contact number:
	Email contact:

Source: Compiled by researchers using the data supplied by NESDA -branch of Medea state-

4.3.2 Project definition

4.3.2.1 Activism

- The activity shall be in accordance with the codes that define the list of activities for each Registration Authority (National Center for commercial registration, agriculture, traditional industry and crafts);

- Activity sector:

Activism	Activity sector
Manufacture of semi-pharmaceutical products	Manufacture, packaging and distribution of semi-pharmaceutical products

4.3.2.2 Type of planned investment

Create a new activity	Expanding the energy of current activity
☒	☐

4.3.2.3 Site

- **Identifying the site for the operation:** X;
- **Reasoning behind the site selection:** due to access to raw materials, closeness to labor resources, and the target market;
- **Specify the legal link with the site:** rent.

4.3.2.4 Implementation plan

- **Schedule:** studying a project, equipping the necessary machinery and equipment ‘Raw materials, product manufacturing, packaging, promotion and distribution;
- **Resources:** it is through the allocation of the necessary human, material and financial resources, where the human resources were represented by five (05) workers, and the material resources were represented by production equipment, furniture and automated media equipment;
- **Planning (presentation and implementation strategies):** presentation of products at the target market level(pharmacies, semi-pharmacies, shops selling cosmetics), setting an appropriate price in the presence of rivals.

4.3.2.5 SWOT evaluation (identifying strengths, weaknesses, opportunities, and threats)

- **Strengths and weaknesses:** evaluating the advantages and disadvantages of a technology or initiative, focusing on the positive aspects are that it is an effective and unique product in the market at an affordable price, while the weaknesses are represented in the lack of raw materials;
- **Opportunities and threats:** identify market opportunities and potential threats, where the opportunities were represented by openness to the foreign market, and the threats were represented by copying and insufficient revenue.

4.3.2.6 The value of the project

Discuss the value of the initiative (backed by data and analysis), especially regarding::

- **Target market:** Regional ☒, National ☒, Export ☐.
- **Valuing local resources:** by selling the product locally, addressing and resolving the issue at the local level;
- **Environmental effects:** minimal or no harm to the environment.

4.3.2.7 The total cost of the project

They often include the burdens of users, equipment, configuration of structures, etc...Estimated at 9500000, 00 DA

4.3.2.8 Method of financing

Tripartite financing	Bilateral financing	Self-financing
☒	☐	☐

4.3.2.9 Financial forecasts (first year of activity)

Which are shown in the following table 2:

Table 2: Financial forecasts for the first year of activity

Statement	Amounts (DA)
Number of works	7125000
Purchase of raw materials	840000
Consumable supplies	860000
Transportation costs	30000
Rental costs	500000
Electricity, gas and water consumption	580000
User burdens	100000
Insurance costs	190000

Source: Compiled by researchers using the data supplied by NESDA -branch of Medea state-.

4.3.2.10 Calculation table of results (TCR):

Which are shown in the following table 3:

Table 3: Results calculation table (TCR)

Statement	Year 1	Year 2		Year 7
Business number ... (1)	7400000	74100000	-	74100000
Consumable purchases ... (2)	850000	860000	-	860000
External burdens ... (3)	580000	670000	-	670000
Added value ... (4)= (1)-(2)-(3)	5600000	5800000	-	6100000
Wages and social burdens ...(5)	1152000	1152000	-	1152000
The total surplus of exploitation ... (6) = (4)-(5)	4530000	4710000	-	5000000
Damages and supplies (7)	1100000	1060000	-	260000
Product of exploitation (8) = (6) - (7)	3400000	3600000	-	470000
Corporate taxes/ IFU (9)	10000	10000	-	10000
Net income (10) = (9) - (8)	3400000	360000	-	3800000
Turnover evolution	-	4%	-	3%
The value-added rate (3) / (1)	80%	79%	-	65%
The rate of total surplus exploitation EBE..(6) / (1)	64%	64%	-	25%
The ability to self-finance CAF (10) + (7)	4523000	4700000	-	4120000

Source: Compiled by researchers using the data supplied by NESDA -branch of Medea state-

4.3.2.11 Financial feasibility indicators

They are shown in the following table 4

Table 4: Financial feasibility indicators

Net present value (NPV)	2100000,00 DA
Duration of the recovery period (DR)	04 Years, 05 Months

Source: Compiled by researchers using the data supplied by NESDA -branch of Medea state-

4.4 Assessing the project and making decisions

4.4.1 Using the net present value (NPV) method

The net present value (NPV) metric for this initiative can be calculated based on the earlier computational formula, along with the data from the project's technical-economic analysis, and as shown in Table 4, the net present value (NPV) figure has been estimated at 2100000,00 Algerian dinars, from which the project of manufacturing semi-pharmaceutical products achieves a positive the net present value (NPV) over the initial seven-year period of the project's lifespan, making it a viable and acceptable investment.

4.4.1 According to the standard payback period (DR)

The payback period criterion (DR) for this project can be calculated based on based on the earlier computational formula and the findings from the project's technical-economic analysis, as shown in Table 4, the payback period is estimated at four years and five months, making the project economically acceptable.

5. Conclusion

An economic viability assessment serves as a crucial strategic instrument for evaluating the practicality of investment initiatives, particularly for small-scale projects that receive funding by government agencies or organizations like the National Agency for Entrepreneurship Development and Assistance (NESDA). For the small-scale project being examined, the significance of this analysis became evident in reshaping the idea of a startup into a feasible project, while ensuring its compatibility with the objectives of government funding aimed at supporting idea of a startup into a feasible project, while ensuring its compatibility with the objectives of government funding aimed at supporting entrepreneurship and stimulating the local economy.

Through the case study, it turned it became clear that the financial viability assessment played a key role in evaluating the project's feasibility by examining startup and operational expenses, as well as projecting anticipated income based on the target market study, and also identified strengths such as the opportunity to meet an uncovered local need in the market, and weaknesses such as fierce competition in the industry, the National Agency for Entrepreneurship Development and Assistance (NESDA) used the findings of this analysis to validate funding for the initiative, as it demonstrated positive financial indicators, such as net present value (VAN) positive, and the duration of the payback period (DR), which strengthened its assurance in the project's potential to attain long-term viability.

- Suggestions:

- The National Entrepreneurship Support And Development Agency (NESDA) and other funding agencies should build specialized training platforms for entrepreneurs on the preparation of feasibility studies, with the provision of pre-prepared forms that facilitate the planning process;
- Develop simplified manuals that focus on the requirements of mini-projects, such as limited cost management and analysis of small markets;

- The use of Business Intelligence (BI) and artificial intelligence (AI) tools in the evaluation of market and financial information, to enhance the precision of projections and minimize the gap between the study and reality;
- Encourage cooperation between the National Agency and universities or research centers to link the academic aspect with practical application, and support projects with in-depth field studies;
- Building partnerships with the private sector to provide co-financing opportunities or logistical support.

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