

Last updated: 2013

Opportunity Evaluation Tool (OET)

Quick Screening: Respond to the questions based on your knowledge/ “gut instincts” and identify what kind of data you would need to verify and expand upon your assumptions

Phase I (if Quick Screening is positive): Respond to the “Phase I Questions” after having collected some data/ done some additional research

Brief description of the proposed initiative:

Phase I. Potential value of the initiative:

A. What potential benefits could this initiative provide to your organization if successful?	
B. What are potential limitations/ drawbacks of this initiative?	
C. What main need(s) is this initiative addressing? How important are these needs to our organization/mission?	
D. How does this initiative fit with our mission and current strategic plan (if any)? What specific component(s) of the mission/ strategic plan would it address?	

Phase I Questions

1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?

2. How could the initiative be modified to increase potential benefits and/or decrease limitations?

Summary evaluation:

1. Not valuable
2. Some value, but low – probably not worth it
3. It has value, although marginal to our mission
4. Of definite value – worth exploring
5. Of high value, central to the mission – pursue if at all possible

Additional comments:

Phase II. Market opportunities of the initiative:

E. <i>Is there a demand for the products/services that this initiative will generate? Are there changes in the environment that may have affected the equilibrium in the market place and, thus, create a new opportunity that this initiative can address?</i>	
F. <i>Who are the potential “end users” who would benefit from the initiative? Do we think that there is dissatisfaction with the existing products/services or new needs that have emerged that could create a demand for what we are proposing? Do we think that end users would perceive the new product/service provided by the initiative as having a significant new value that exceeds competing offerings in the market?</i>	
G. <i>Who would be willing to pay for the products/services?(i.e., who would be the “customers”)</i>	
H. <i>Who are the potential competitors? Are the competitors unable to serve the customers in this particular area?</i>	

Phase II Questions:

1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?

2. How could the initiative be modified to increase its appeal and/or make it stand out compared with the competition?

Summary evaluation:

- 1. (We think) there is very limited market for this initiative*
- 2. (We think) there is some demand for the proposed product/service, but not clear who the customers are and how they could be reached OR whether we can compete with our potential competitors*
- 3. (We think) there is some demand for the product and potential for us to attract customers, and we are comparable to other potential competitors*
- 4. (We think) there is a clear demand for the product and potential for us to attract customers (but not clear if they would pay as needed for these services)*
- 5. (We think) there is clear demand for the product and potential for us to attract customers, and reasons to believe that customers will be willing to pay for it*

Additional comments:

Phase III. Capacity to implement the initiative:

I. <i>What kind of person is needed to lead this initiative? Who could do that, and how could this person be secured for this project?</i>	○
J. <i>What people resources would be needed to implement this initiative and why (i.e., what are the key qualifications for the tasks required)? How much of their time would the initiative take?</i>	○
K. <i>Are these key players available to work this initiative? i.e., if already working within the organization, are they willing to do it and what will they have to give up in order to do this? if not, can they be hired or can their collaboration be secured otherwise (and how)?</i>	○
L. <i>What facilities, infrastructures or other resources would the initiative require? Do we have them? If yes, how would their use affect the rest of our operations? If no, how could they be acquired or their used secured?</i>	○
M. <i>Who would we need to secure as collaborators for the success of this initiative? Can we secure their collaboration, and if so how?</i>	○

Phase III Questions:

1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?

2. How could the initiative be modified to make it more “doable”? Are there opportunities to partner with other organizations that could provide some of the resources we may be missing?

Summary evaluation:

- 1. We do not have and cannot identify the necessary personnel/structures to implement the initiative*
- 2. We have (or have identified) the necessary personnel/structures to do it, but they are not available at the moment*
- 3. We have (or have identified) the necessary personnel/structures and there is willingness for their use, although at the expense of other important projects*
- 4. We have (or have identified) the necessary personnel/structures to do it and we have found a way to devote them to the proposed project*
- 5. We have access to excellent personnel/structures to do it and the project will create synergy with other existing projects*

Additional comments:

Phase IV. Financial viability of the initiative:

N. <i>What potential revenues or cost savings, if any, could the project generate? Under what circumstances? What do we expect the revenues/ cost-savings to be overtime?</i>	
O. <i>What “marginal costs” (one-time start-up and on-going) would this initiative add to our existing operations? Under what circumstances? What use of existing structures/ services/ personnel would it require, and how would that affect the rest of our operations?</i>	
P. <i>Do we expect the revenues to be greater/less than the expected costs? Under what circumstances/at what point in time would we “break even”?</i>	
Q. <i>How could we secure funding for start-up costs and/or continuing costs?</i>	

Phase IV Questions:

1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?

2. How could the initiative be modified to decrease costs? What could make it more appealing to potential funders?

Summary evaluation:

- 1. Too costly – out of reach*
- 2. Possible only if we can secure additional/external funding to support it*
- 3. Could be covered within our current operating budget or existing grants, but at the expense of other important initiatives*
- 4. Expected revenues will at least off-set costs and we can secure the necessary resources for start-up costs*
- 5. Likely to generate substantial net revenues and we can secure the necessary resources for start-up costs*

Additional comments:

Phase V. Potential risks of the initiative:

R. <i>What could we lose if we embark in this initiative and it is not successful (sink-the-boat mistake)? Under what circumstances and how likely is that to happen?</i>	
S. <i>What could we do to minimize sink-the-boat risks?</i>	
T. <i>What could we lose if we do NOT embark in this initiative (missing-the-boat mistake)? Under what circumstances and how likely is that to happen?</i>	

Phase V Questions:

- 1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?***
- 2. How could the initiative be modified to decrease and/or better control for potential risks?***

Summary evaluation:

- 1. The risks and implications of not being successful are too big for us to take*
- 2. There are considerable risks if we fail, but we may be willing to take them under certain circumstances*
- 3. The risks and implications of failing are balanced by those of not embarking in the initiative*
- 4. The risks and implications of not embarking in the initiative out-weigh those of failing in the initiative AND/OR we have good strategies to minimize sink-the-boat risks*
- 5. Sink-the-boat mistakes are minimal/easy to address AND missing-the-boat mistakes are significant/worthwhile*

Additional comments:

Phrase VI. Timeframe for the initiative:

U. <i>How much time do we have to take advantage of the opportunity to engage in this initiative? Does the initiative (or part of it) need to be implemented before a certain date or event in order to be effective? Would there be any advantages to waiting?</i>	
V. <i>How much time would it take us to get ready to implement the initiative?</i>	
W. <i>Do we have enough time to respond to the opportunity of engaging in this initiative? What is the “margin for error”?</i>	
X. <i>What is the right time for us to take on this initiative?</i>	

Phase VI Questions:

1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?

2. How could the initiative be modified to improve its timing and/or to ensure we can take advantage of its window of opportunity?

Summary evaluation:

1. *We do not have the time necessary to respond to the opportunity to engage in this initiative*
2. *We may be able to respond to the opportunity to engage in this initiative timely, but is not be the right time for us to do it*
3. *We can respond to the opportunity to engage in this initiative timely, but at the expense of postponing other important projects*
4. *We can respond to the opportunity to engage in this initiative timely without sacrificing other priorities*
5. *We can respond to the opportunity to engage in this initiative timely without sacrificing other priorities and we have a competitive advantage for doing so at this particular point in time*

Additional comments:

Phase VII. Comparative value of the initiative:

Y. <i>What are alternative ways to address the same need(s)? Are any of these alternatives a better choice than the proposed initiative?</i>	
Z. <i>What will we have to put aside if we decide to do this project, given our limited resources ("opportunity cost")? That is, are there other projects we may have to drop in order to pursue this initiative? How would the value of these projects compare with that of the proposed initiative?</i>	

Phase VII Questions:

1. What additional information would be critical to address some of the previous questions? How could you effectively gather that information?

2. How could the initiative be modified to decrease its "opportunity costs"? Do any of the alternative considered suggest ways to improve on the original idea?

Summary evaluation:

- 1. We clearly have better uses for the same resources*
- 2. We have better uses for the same resources at this point in time, although different circumstances (or modifications in the project) could change this evaluation*
- 3. This initiative competes with other important projects for the same available resources*
- 4. The initiative will not require sacrificing other major priorities*
- 5. The initiative will not require sacrificing other major priorities and we cannot think of a better use for the same resources*

Additional comments:

Summary evaluation:

I.	Potential value of the initiative:	1	2	3	4	5
II.	Market opportunities of the initiative:	1	2	3	4	5
III.	Capacity to implement the initiative:	1	2	3	4	5
IV.	Financial viability of the initiative:	1	2	3	4	5
V.	Potential risks of the initiative:	1	2	3	4	5
VI.	Timeframe for the initiative:	1	2	3	4	5
VII.	Comparative value of the initiative:	1	2	3	4	5

OVERALL DECISION:

1. DROP – not worth pursuing
2. POST-PONE & RE-EVALUATE – it may be worthwhile to pursue under different circumstances, but not now
3. DO IF POSSIBLE – worth doing, but only under the right circumstances (ex: dedicated funding; assignment of resources to competing projects; etc.)
4. DO – worth doing now (even if it were to be at the expense of other projects)
5. MUST DO – it is one of the best things we could do now

Overall comments: