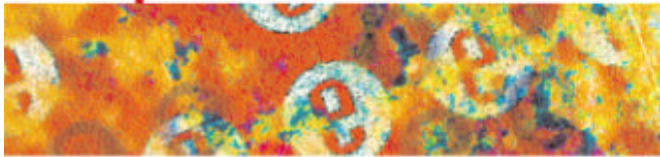




e^opermanence



DIRKS – A Strategic Approach
to Managing Business Information

APPENDIX 12 – RECORDKEEPING FEASIBILITY ANALYSIS

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APPENDIX 12

RECORDKEEPING FEASIBILITY ANALYSIS

Introduction

A feasibility analysis involves a detailed assessment of the need, value and practicality of a proposed enterprise, such as systems development. The process of designing and implementing recordkeeping systems has significant accountability and resource implications for an organisation. Feasibility analysis will help you make informed and transparent decisions at crucial points during the developmental process as you determine whether it is operationally, economically and technically realistic to proceed with a particular course of action.

The purpose of this section of the DIRKS manual is to raise awareness about feasibility analysis in the context of your recordkeeping project. More extensive information on the role of feasibility in systems development projects is available in the references cited in the endnotes. [\[1\]](#)

DIRKS and the feasibility assessment process

Feasibility analysis can be used in each of the steps in the DIRKS methodology to assess the financial, technical and operational capacity of your organisation to proceed with particular activities. Steps A, C, E and F present particular feasibility issues and warrant careful consideration to safeguard the outcome of your project.

Types of feasibility

A feasibility analysis usually involves a thorough assessment of the financial (value), technical (practicality), and operational (need) aspects of a proposal. In systems development projects, business managers are primarily responsible for assessing the operational feasibility of the system, and information technology (IT) analysts are responsible for assessing technical feasibility. Both then work together to prepare a cost-benefit analysis of the proposed system to determine its economic feasibility.

Financial feasibility

A systems development project may be regarded as economically feasible or *good value* to the organisation if its anticipated benefits outweigh its estimated costs. However, many of the organisational benefits arising from recordkeeping projects are intangible and may be hard to quantify. Examples of intangible benefits include:

- improved compliance with legislative and regulatory requirements;
- better management of evidence-related risks;
- enhanced public image;
- improved consistency, continuity, efficiency and productivity in program delivery, management and administration; and
- greater protection of the rights of employees, clients and citizens.

In contrast, many development costs are easier to identify. These costs may include the time, budget and staff resources invested during the design and implementation phase, as well as infrastructure, support, training and maintenance costs incurred after implementation. Nonetheless, it can also be difficult to accurately quantify project costs when new technologies and complex systems are involved. In these high-risk situations it may be appropriate to use sophisticated cost-benefit analysis tools to make appropriate assessments of financial feasibility.

Technical feasibility

A systems development project may be regarded as technically feasible or *practical* if the organisation has the necessary expertise and infrastructure to develop, install, operate and maintain the proposed system. Organisations will need to make this assessment based on:

- knowledge of current and emerging technological solutions;
- availability of technically qualified staff in-house for the duration of the project and subsequent maintenance phase;
- availability of infrastructure in-house to support the development and maintenance of the proposed system;
- where necessary, the financial and/or technical capacity to procure appropriate infrastructure and expertise from outside;
- capacity of the proposed system to accommodate increasing levels of use over the medium term; and
- the capacity of the proposed system to meet initial performance expectations and accommodate new functionality over the medium term.

Operational feasibility

A systems development project is likely to be operationally feasible if it meets the 'needs' and expectations of the organisation. User acceptance is an important determinant of operational feasibility. It requires careful consideration of:

- corporate culture;
- staff resistance or receptivity to change;
- management support for the new system;
- the nature and level of user involvement in the development and implementation of the system;
- direct and indirect impacts of the new system on work practices;
- anticipated performance and outcomes of the new system compared with the existing system;

- viability of the proposed development and implementation schedule;
- training requirements and other change management strategies; and
- ‘pay back’ periods (ie trade-off between long-term organisational benefits and short-term inefficiencies during system development and implementation).

Part 1, Section 7.2 – [Change management](#) provides additional information on managing and marketing change.

Additional factors

While financial, technical and operational criteria are important determinants of feasibility, it may also be prudent to give special consideration to project schedules and legal issues.

Project time frames should be examined as an aspect of operational feasibility. It is important to make realistic estimates of the staff resources and time required to complete different phases of the project, and to recognise that schedule delays may occur due to unforeseen circumstances. The impact of such delays will vary depending on the complexity of the recordkeeping project. Detailed scoping of the project using critical path analysis will help minimise adverse effects. Obviously, management should be alerted to any delays as these may affect both the viability of the project and the organisation.

It is important for organisations to identify their legal and other regulatory requirements to make and keep records, and to assess their capacity to meet these requirements. A preliminary investigation of your organisation will provide a general understanding of your obligations, while a more detailed investigation will highlight your organisation's exposure to evidence-based risks (including legal liability). These issues are elaborated in steps A and C of the DIRKS methodology. In addition to these evidence-based issues, it is important to be aware of other legal and regulatory matters that may affect systems development and project implementation. These include:

- the framework for [procurement](#) of goods and services in the Commonwealth public sector;
- general contractual obligations and liabilities; and
- use of records management products and suppliers endorsed under the Commonwealth Government's Shared Systems Suite (follow links to Shared Systems on the [Office for Government Online](#) website).

Determining feasibility

A proposal may be regarded as feasible if it satisfies all of the three criteria: financial, technical and operational.

Nevertheless, if a proposal fails to meet any one of the criteria it may still be deemed feasible to proceed. For example, management may decide to implement a new

system to obtain long-term operational efficiencies even though the organisation may experience short-term economic burdens. Alternatively, management may accept that a project is not technically feasible at the present time, but it may be appropriate to review the situation in the future. A project assessed as feasible at one point may be subsequently rendered infeasible due to critical changes in circumstances. It is therefore important for organisations to periodically monitor and reassess the feasibility of particular enterprises.

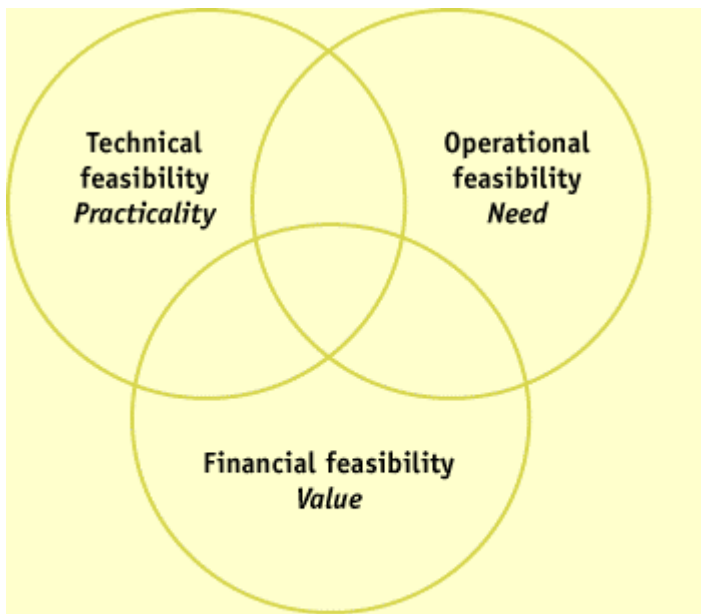


Figure 11 Determining the feasibility of a recordkeeping system

Conclusion

Feasibility analysis provides a means of minimising risk and improving accountability in decision-making. When applied to DIRKS, it will help your organisation to make informed decisions about its recordkeeping requirements and the most appropriate systems to satisfy these requirements. It will also ensure those decisions are documented and available for scrutiny in the future.

Endnotes

[1] Most systems development texts provide advice on feasibility analysis. The following list is a small sample.

- Burch, J G, *Systems Analysis, Design and Implementation*, Boyd & Fraser, 1992.
- Rob, P and Coronel, C, *Database Systems: Design, Implementation and Management*, 2nd edition, Boyd & Fraser, 1995.
- Shelly, G B, Cashman, T J Adamski, J and Adamski, J J, *Systems Analysis and Design*, Boyd & Fraser, 1991.
- Whitten, J L, Bentley, L D and Barlow, V M, *Systems Analysis and Design Methods*, Irwin, 1994.