

Testing Startup Feasibility End to End

How to judge whether a venture is workable, viable and worth doing — across every dimension, not just the technical one.

Theory session

Beginner

Running case: ClearCup



Where this session sits

The final session assembles everything into a single go / no-go judgement

MODULE 1

Founder Thinking
and Problem Framing

MODULE 2

Recognizing and
Investigating Opportunities

MODULE 3

**Turning Insight
into Viable Ventures**

SESSIONS IN THIS MODULE

3.1 Crafting a Customer Value Proposition
Why a defined customer would choose this over the alternative

3.2 Connecting Models and Assumptions
How the business creates, delivers and captures value

3.3 **Testing Startup Feasibility End to End**
Whether the venture is workable, viable and worth doing

YOU ARE HERE

What this session explains

Judging a venture across every dimension that can stop it

01

Feasibility has six dimensions

Technical workability is only one, and rarely the one that fails.

02

Decide the criteria before the result

Kill criteria set in advance are the only defence against reading a pilot generously.

03

A pilot proves less than it appears to

Knowing what a trial cannot establish is part of running one.

04

Unit economics decide durability

Whether each additional customer helps or hurts.

Six ways a venture can fail

Each is a separate question with a separate kind of evidence

TECHNICAL	Can it be built and operated reliably, with what exists today?
MARKET	Do enough people want it, and will they switch from what they use now?
OPERATIONAL	Can it be delivered repeatedly, at quality, as volume grows?
FINANCIAL	Does each additional customer improve the position or worsen it?
LEGAL & REGULATORY	Is it permitted, and what happens if the rules change?
PERSONAL & ETHICAL	Can this team sustain it, and should it be done at all?

THE PATTERN

The failure is rarely technical

RePlay's constraint was participation. Loop's was regulation and assortment. Siempo's was distribution.

CONSEQUENCE

Test the weakest, first

Ranking these honestly usually reorders the workplan.

Dimensions consolidated from standard feasibility practice; see Barringer & Ireland (2019), Entrepreneurship.

The three numbers that decide durability

Kept deliberately simple — the logic matters more than the precision

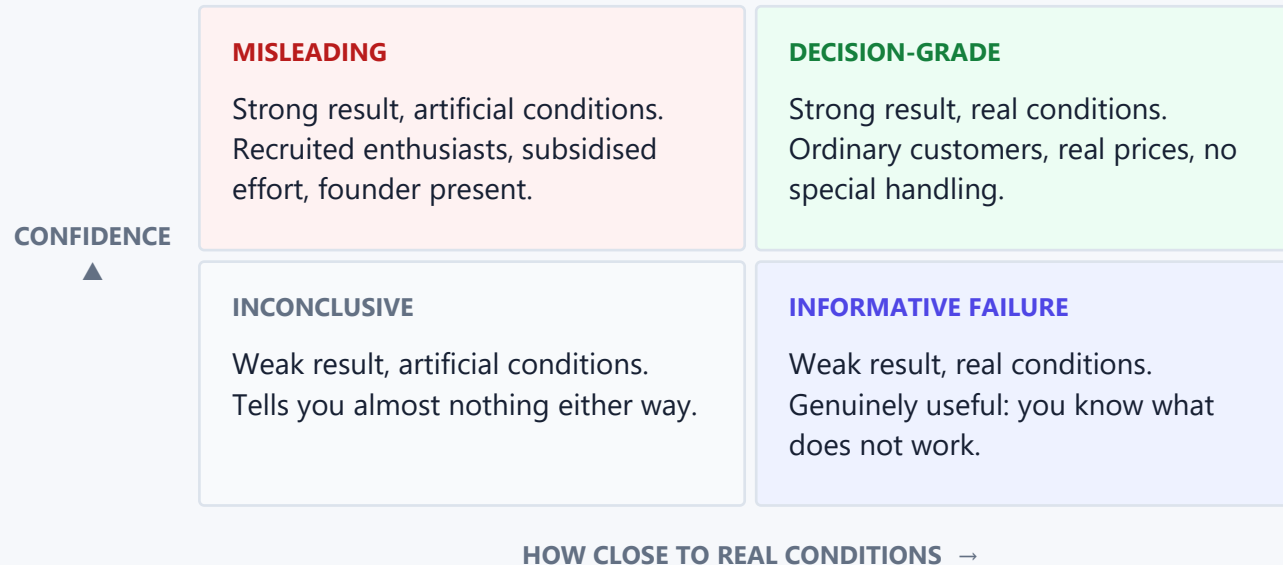
Term	What it means	Why it decides the outcome
Contribution margin	Revenue from one unit minus the cost of serving that unit.	If negative, every additional sale increases the loss. Growth makes it worse, not better.
Cost to acquire a customer	Everything spent on sales and marketing, divided by customers won.	Sets how long a customer must stay before they have paid for themselves.
Customer lifetime value	Contribution margin × how long they stay.	Must exceed acquisition cost with enough margin to fund everything else.

AT THIS STAGE

These are estimates early on, and that is acceptable. What is not acceptable is not knowing the sign of the contribution margin.

What a pilot can and cannot establish

A successful trial answers a narrower question than it feels like it does



THE TRAP

Enthusiast bias

Early participants are unrepresentative by construction. A pilot run on volunteers overstates every result.

ASK OF ANY PILOT

What did it not test?

Price sensitivity, repeat behaviour, and what happens when nobody is watching.

REPLAY

Both things were true

Technically and operationally successful; commercially unproven. The trial was right to report both.

Go, pivot, or stop

Three honest outcomes; the middle one is the most common and the least used

STOP A dimension failed that cannot be changed with the resources available. Stopping early preserves the ability to start again.	PIVOT The evidence is real but points at a different customer, problem or model. Keep the learning; change one structural element.	GO Every dimension is at least adequate and the weakest one has a plan attached with a date on it.
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KILL CRITERIA, WRITTEN BEFORE THE PILOT RUNS

Dimension	We continue if...	We stop or pivot if...
Market	At least half of trial sites repeat in month two.	Repeat use falls below a quarter without a reason we can address.
Operational	Collection adds under ten minutes to an existing round.	It requires a dedicated vehicle.
Financial	Contribution margin is positive at pilot volume.	It is negative and only closes at volumes we cannot reach.

CASE STUDY

RePlay

A system that worked, in a real supermarket, and still could not yet show it would last.

Feasible, and not yet viable

Separating what the trial established from what it left open

WHAT THE TRIAL PROVED

Operational feasibility

INTEGRATION HELD

Packaging, digital tracking, washing logistics and retail operations worked as one system.

IN A REAL SETTING

A mainstream supermarket, not a controlled technical demonstration.

NO SYSTEM FAILURE

The constraint was not identified anywhere in the operating components.

WHAT IT LEFT OPEN

Commercial durability

THE REAL CONSTRAINT

Consumer behaviour, not packaging design or technology.

SENSITIVITY

Even small additional actions significantly reduced participation.

THE UNRESOLVED QUESTION

Long-term viability — possibly requiring easier participation, or policy discouraging single-use.

READING THE CASE

Both findings are true at once. A venture can be technically and operationally successful while its commercial case remains unproven — and saying so is a better result than a verdict.

Drawn from the session case pack.

Bringing the theory to ClearCup

A feasibility summary that states its own weakest point

Dimension	Current judgement	What would settle it
Technical	Adequate — the components exist and are proven elsewhere.	Nothing further at this stage.
Market	Unproven — interest observed, switching not yet tested.	Two comparable offices running at real prices for a month.
Operational	Uncertain — depends on collection fitting an existing round.	Shadow one round and time the added step.
Financial	Unknown — contribution margin not yet estimated.	Cost per cup cycle, including washing and losses.
Regulatory	Adequate — no barrier identified in this market.	Re-check if single-use rules change.
Personal	Adequate — the team has the relevant operating experience.	Revisit if the model shifts to manufacturing.

HOW TO CLOSE THE COURSE

The most useful feasibility summary names its own weakest dimension and what would resolve it — not a verdict.

What to carry out of this session

1

Technical feasibility is the easy dimension.

Market, operational, financial, regulatory and personal feasibility fail far more often.

2

Write the kill criteria before the pilot.

Deciding what would stop you, afterwards, is not a decision — it is a rationalisation.

3

Know what your pilot did not test.

Recruited enthusiasts and subsidised effort overstate every result.

4

Know the sign of your contribution margin.

If it is negative, growth makes the position worse, not better.

5

“It works but may not last” is a real finding.

Naming the unresolved question is more useful than forcing a verdict.

Sources for this session

Primary references behind each concept

FEASIBILITY	Barringer, B. & Ireland, R. (2019). <i>Entrepreneurship: Successfully Launching New Ventures</i> (6th ed.). Boston: Pearson.
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