PROJECT FEASIBILITY STUDY PRM005

COURSE DESCRIPTION

In today's business environment, feasibility studies are strategic documents prepared and executed by managers who focus on the best resource allocations and aim at consistently delivering projects on target. A feasibility study evaluates the practicability of a project, a business venture or idea. The principal function is to find out if the project will go ahead or not. Feasibility studies are strategic for several reasons. They evaluate your project from different points of view, to cover all the key aspects that you must carefully consider before moving forward and committing time and resources

This course covers all the steps necessary to evaluate an investment opportunity and gives an insight to the importance of each evaluation criterion. Economic indicators commonly used are introduced and compared in the context of investment decision examples.

COURSE GOAL

To enhance the participant's knowledge, skills and abilities necessary to prepare and evaluate the feasibility study for any project.

COURSE OBJECTIVES

By the end of this course, participant will be able to:

- Identify of Investment Opportunities.
- Prepare Market Analysis.
- Understand the technical Aspects.
- Understand Production Process and Input Requirement.
- Understand and use the Finance and Economic Analysis techniques.
- Understand and use Sensitivity Analysis techniques.

WHO SHOULD ATTEND

- Managers, Engineers, Negotiators, and Officials who are involved in either the preparation or evaluation of Feasibility Studies in the public or private sector.
- Bank Senior Staff or Economists responsible for evaluating or financing investment projects.

COURSE DURATION

5 Working Days

COURSE OUTLINES

1. **Identification of Investment Opportunities:**
   - Introduction (the components of a Feasibility Study).
   - Purposes and Objectives.
2. **Market Analysis and Marketing concept:**
   - Production and Marketing.
   - Size and composition of the present demand.
   - Estimate of potential supply.
   - The level of Competition.
   - Market penetration ratio and export potentials.
   - Pricing Structure.
   - Manpower requirements.
3. **Technical Aspects:**
   - Location.
4. **Production Process and Plant Layout.**
   - Maintenance Considerations.
   - Environmental, Health, and Safety considerations.
   - Implementation Plan.
   - Production Process and Input Requirement:
   - Accessibility to input resources.
   - Energy considerations.
   - Operational Stages and Production Strategy.
5. **Finance and Economic Analysis:**
   - Capital Investment.
   - Fixed Assets & Operating cost.
   - Depreciation.
   - Time value of Money.
   - Interest rates and Minimum Attractive Rate of Return (MARR).
   - Tax considerations.
   - Total Project cost.
   - Net Revenue Estimation.

6. Financial Evaluation of the Project (Measures of Worth):
    - Break-Even Calculations.
    - Pay-Back Period (PBP).
    - Net present value of the Project
    - Internal Rate of Return (IRR).
    - Benefit/Cost ratio Method.
7. Sensitivity Analysis.