

GULF INSTITUTE



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Feasibility Studies Preparation, Analysis and Evaluation

Why Attend

- The overall aim of this course is to provide participants with competencies required to prepare, analyze and evaluate feasibility studies. The course involves building a feasibility study financial model using hands-on training on Microsoft Excel. The course also aims at enabling participants to appraise service and industrial investments using different capital budgeting techniques as well as analyzing the related financial parameters.

Course Methodology

- The course uses a mix of interactive techniques such as brief presentations by the consultant and the participants, group exercises and case studies. The course also includes building a feasibility study model using Microsoft Excel software.

Course Objectives

By the end of the course, participants will be able to:

- Define 'feasibility study' and compare it to 'business plan'
- Identify the crucial elements in the feasibility study
- Build the feasibility study financial model using Microsoft Excel
- Apply different investment appraisal methods and analyze financial parameters
- Analyze the feasibility study and find its merits and shortcomings

Target Audience

- Project sponsors, senior management, functional managers, project managers and individuals involved in preparing, writing and analyzing feasibility studies. This course is worth 30 Professional Development Units (PDUs).

Target Competencies

- Planning
- Analyzing data
- Evaluating options
- Thinking proactively
- Managing scenarios
- Cognitive ability

Introduction and definitions

- Definitions of 'feasibility study'
- Objectives of a feasibility study
- Feasibility study versus business plan
- Feasibility study cycle
- Preparation steps for a feasibility study

Feasibility study elements

- Report elements of the feasibility study
- Executive summary
- Outline of the feasibility study
- Marketing feasibility
- Market research and analysis
- Market research data types
- Sales projections analysis
- Technical feasibility
- Critical technical questions
- Supply feasibility
- Operational feasibility
- Financial feasibility
- Project costs
- Indirect costs
- Ongoing costs

Feasibility study financial model using Microsoft Excel

- Building the financial model of the feasibility study
- Weighted Average Cost of Capital (WACC)
- Cost of equity using the Capital Asset Pricing Model (CAPM)
- Unlevered Free Cash Flow (UFCF)
- Terminal value of the project
- Preparing sensitivity tables
- Creating different scenario analyses

Appraisal and analysis of the feasibility study

- Financial analysis parameters
- Liquidity ratios
- Operating ratios
- Financial leverage ratios
- Security ratios
- Profitability ratios
- Investment appraisal analyses
- Quantity and sales Breakeven Points (BEP)
- Payback Period (PP)
- Net Present Value (NPV)
- Internal Rate of Return (IRR)
- Profitability Index (PI)

Evaluation and implementation of the feasibility study

- Internal recommendations and conclusions
- Evaluating feasibility studies
- Common mistakes in using the feasibility study results
- Implementing the proposals

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