

€ TRAINING

Preparing, Evaluating and Analyzing
Economic Feasibility Studies



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Introduction

A well-developed feasibility study is an essential foundation to allow project analysis and design activities to begin in a focused manner. It either refines a business case by examining a range of possible options and potential issues or forms a basis for developing one. Feasibility studies address issues that could affect the success of a potential project and evaluate the advantages and disadvantages of each option so that they can be classified. The final output of the study is a clear summary report that presents the proposed project. Capital and analysis of financial indicators associated with those operations.

Course Objectives

At the end of this course, the participants will be able to:

- Develop their abilities and applied skills to prepare feasibility studies for investment projects, replacement, renovation and expansion of existing projects.
- Prepare a form for the financial feasibility study using the Excel program.
- Apply various methodologies in promoting and increasing investment opportunities and analyzing their financial indicators.
- Distinguish the financial rules and policies that must be mastered in order to tighten these studies, which ultimately leads to the establishment of successful investment projects.
- Prepare economic and technical studies related to new projects or expanding existing ones.
- Determine recent information related to the investment atmosphere.
- Define the general framework, concepts and experiences learned from feasibility studies.

Targeted Audience

Managers and professionals responsible for preparing, writing and analyzing feasibility studies.

Course Outline

Unit 1: Introduction and definitions:

- Feasibility study definitions
- The objectives of the feasibility study
- Feasibility study vs business plan
- Feasibility study course
- Steps for preparing a feasibility study

Unit 2: Elements of a feasibility study:

- Elements of a feasibility study report
- Executive summary
- Feasibility study content

Market feasibility:

- Marketing analysis and research
- Types of marketing research data
- Sales forecast analysis

Technical feasibility:

- Necessary technical questions
- Resource feasibility
- Operational feasibility

Financial feasibility:

- Project costs
- Indirect costs
- Ongoing costs

Unit 3: Using the Excel program in the financial models for the feasibility study:

- Preparing the financial model for the feasibility study
- Average cost of capital WACC
- Calculating shareholder cost of capital CAPM
- Free cash flow UFCF
- The final value of the project
- Prepare sensitivity tables
- Create an analysis of different scenarios

Unit 4: Analysis and evaluation of the feasibility study:

Financial Analysis Indicators:

- Liquidity rates
- Operations rates
- Leverage rates
- Insurance rates
- Profitability rates

Investment Appraisal Analysis:

- Break-even points for sales and quantity
- Payback period PP
- Net present value NPV
- Internal rate of return IRR
- Profitability Index PI

Unit 5: Application and evaluation of the feasibility study:

- Summary and internal recommendations
- Evaluating feasibility studies
- Common mistakes in using the results of the feasibility study
- Offers application