

# € TRAINING

Preparing, Evaluating and Analyzing  
Economic Feasibility Studies



13 - 17 May 2024  
Milan (Italy)

# 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