

# Feasibility Studies: Preparation, Analysis and Evaluation



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Transforming  
Business *for Good*



## 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.

## Target Competencies

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



# Course content

## Course Outline

### 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

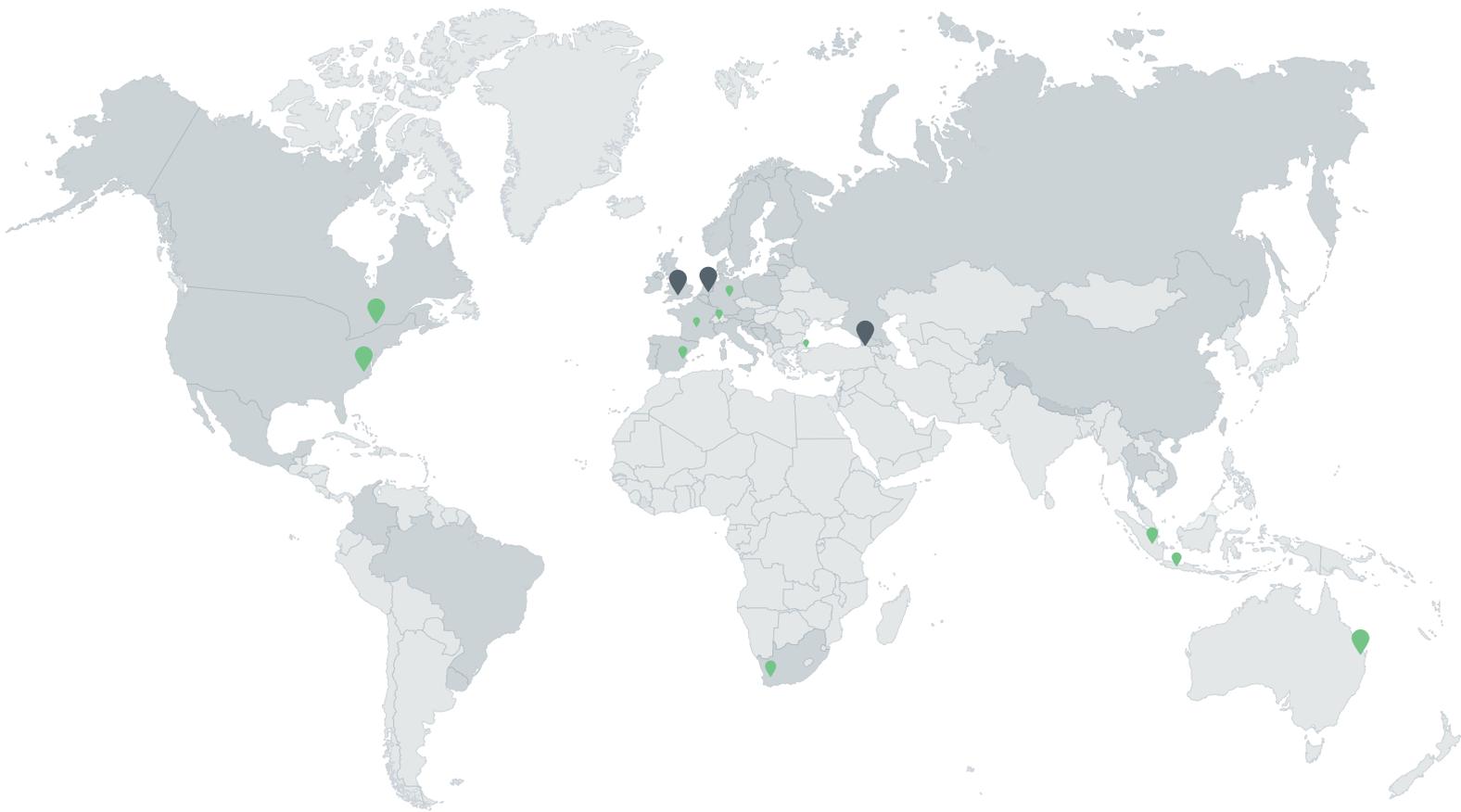
- Common mistakes in using the feasibility study results
- Implementing the proposals

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