

# FEASIBILITY STUDIES: PREPARATION AND ANALYSIS

## COURSE OVERVIEW

If you fail to plan; then plan to fail. The preparation of feasibility study requires meticulous planning skills as well as the competences of intuition and emotional control. This course aims at providing participants with the ability to model their feasibility study using Excel and addressing market, technical and financial aspects. Also, participants will be enabled to appraise different investment types such as industrial and service projects.

## TARGET COMPETENCIES

- Market analysis.
- Risk Management
- Cost-Benefit Analysis
- Data Collecting and Processing
- Financial modelling
- Investment Appraisal methods & techniques
- Environmental and Social Impact Assessment
- Report & recommendation writing skills

## TARGET AUDIENCE

Individuals involved in preparing and analyzing feasibility studies, project managers, project sponsors, functional managers, senior management and executives. This course is worth 30 PDUs.

## COURSE OBJECTIVES

By completely attending this course, participants will be able to:

- List objectives of their feasibility study
- Outline fundamental elements of their feasibility study
- Model their feasibility study financials using Microsoft Excel
- Appraise their projects viability using different investment methods
- Summarize their feasibility study recommendations and conclusions

## NOTE

This course includes:

- Hands-on training using Microsoft Excel for building feasibility study financial models.
- Templates and models related to feasibility studies – soft copy.

# **COURSE METHODOLOGY**

A variety of methodologies will be used, including building feasibility models, discussions, individual and group exercises, practical case studies, and hands-on training using Excel.

## **COURSE OUTLINE**

### **INTRODUCTION**

- Feasibility study definition
- Myths about feasibility studies
- Objectives of feasibility study
- Differences between feasibility study and business plan
- Types of Feasibility Studies

### **FEASIBILITY STUDY FOUNDATIONS**

- Marketing feasibility
  - Market analysis
  - Market research data
  - Conducting Market Surveys
  - Analysis of sales projections
  - Projection of Revenues.
- Technical feasibility
  - Capital expenditures (CAPEX)
  - Operating expenses (OPEX)
  - Operational feasibility
  - Techniques of Cost estimation
  - Cost Classification and Allocation
- Financial feasibility
  - Profit & loss (income statement)
  - Balance sheet (Financial Position Statement)
  - Cash flow statement
  - Risk Assessment
  - Legal, Environmental and Social Impact

### **BUILDING FINANCIAL MODEL USING MICROSOFT EXCEL**

- Structuring the financial model
- Calculating weighted average cost of capital (WACC)
- Figuring cost of equity using capital asset pricing model (CAPM)
- Preparing unlevered free cash flow (UFCF)
- Analyzing terminal value of the project
- Breakeven and CVP analysis
- Conducting sensitivity analysis
- Generating different scenarios

### **ECONOMIC ANALYSIS AND APPRAISAL**

- Analysis of financial parameters
  - Liquidity ratios
  - Operating ratios
  - Financial leverage ratios
  - Security ratios
  - Profitability ratios
- Appraisal of investment
  - Quantity and sales breakeven points (BEB)
  - Payback period method (PP)
  - Net present value method (NPV)
  - Internal rate of return method (IRR)
  - Profitability index method (PI)
  - Which method is preferable.
- Project selection and feasibility models
  - Non-numeric models
  - Numeric models
  - Scoring models

### **RECOMMENDATIONS AND CONCLUSIONS**

- Asking the critical questions
- Contents of conclusion section
- Report appearance
- Evaluating feasibility studies
- Common mistakes in using the results.
- Factors for revising the study.
- Report Writing and presentation skills.

To register or for complete course information

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