PM5 HOW TO PREPARE OR EVALUATE A FEASIBILITY STUDY

(Four Days)

Dr. Ahmed E. Haroun

COURSE OVERVIEW

This course provides the participants with a working knowledge of how to prepare a feasibility study for any projects. It covers all the steps necessary to evaluate an investment opportunity, and gives an insight to the importance of each evaluation criterion. The impact of different production/development strategies on the feasibility of the project is also assessed and evaluated. Economic indicators commonly used are introduced and compared in the context of investment decision examples. The course includes work examples in practical sessions.

WHO SHOULD ATTEND

This course is designed for managers, engineers, negotiators, and officials who are involved in either the preparation or evaluation of Feasibility Studies (Technically or Economically), in the public or private sector. It is also important for Bank senior staff or economists responsible for evaluating or financing investment projects.

COURSE CONTENT

Identification of Investment Opportunities:

- Introduction.
- Purposes and Objectives.
- Development stages.

Outline (the components) of a Feasibility Study.

Market Analysis and Marketing concept:

- Production and Marketing.
- Size and composition of the present demand (last 8 years).
- Estimate of potential supply.
- The level of Competition.
- Market penetration ratio and export potentials.
- Pricing Structure.
- Manpower requirements.

Technical Aspects:

- Site Location.
- Production Process and Plant Layout.
- Maintenance Considerations.
- Environmental, Health, and Safety considerations.
- Implementation Plan.

Production Process and Input Requirement:

- Accessibility to raw material and other input resources.
- Energy considerations.
- Operational Stages and Production Strategy.

Project Implementation:

- Development Stages (WBS).
- Marketing Strategy.
- Up-scaling, Expansions, and Up-grading.

Finance and Economic Analysis:

- Capital Investment.
- Time value of Money.
- Fixed Assets & Operating cost.
- Depreciation.
- Interest rates and Minimum Attractive Rate of Return (MARR).
- Tax considerations.
- Total Project cost.
- Net Revenue Estimation.

Financial Evaluation of the Project (Measures of Worth):

- Break-Even Calculations.
- Internal Rate of Return (IRR).
- Pay-Back Period (PBP).
- Net present value of the Project.
- Present Worth Method (PW).
- Benefit/Cost ratio Method.

Sensitivity Analysis.

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THE LECTURER

Dr. Ahmed Elamin Haroun obtained his Ph.D. in Industrial Engineering and Management at Oklahoma State University in 1992. He also did an M.Sc. in Industrial Engineering & Prod. Management at Carnfield Inst. Of Technology in U.K. in 1981. Dr. Haroun is an Associate Professor since 1994 at Sudan University of Science and Technology which he joined in 1982. Dr. Haroun has 25 years of Industry Consulting and teaching experience.He provided consultancy services and ran short courses in the fields of Product quality and Feasibility of Industrial projects, Industry Optimisation and Rehabilitation, Project Management, Specification Drafting, Performance evaluation and Control, Human resource development, and Organizational Structure.

Dr. Haroun has conducted optimization and feasibility studies for numerous local clients, i.e., UNDP (Khartoum office), Petroleum and Transport sectors…….etc. He authored some articles…"in the area of Technology Adoption, Job Satisfaction, and HR. Development.