

Project Appraisal Identification, Policy Analysis & Selection

INTRODUCTION

- The decision whether or not to invest a substantial amount in a new capital project is made with a lot of uncertainty. People involved in creating project proposals may have expertise in technical fields, but may also lack training to make a comprehensive analysis of whether their project really is the best idea to go forward with. Given that projects and capital expenditures often consume a significant part of the finances of the organisation, it is vital that those involved in them can make high quality objective decisions about which proposals are likely to have the best results, before commitments to development work and substantial expenditures are made.
- This Project Appraisal training course covers the policy evaluation and strategic project analysis and selection techniques that are a critical part of this decision-making process and considers the quantifiable elements of projects as well as the dependencies and risk factors relating to them. Specific financial and risk analysis methodologies are addressed in subsequent course.

This training course will highlight:

- The importance of strategic approach to thorough project identification, definition, planning and appraisal
- The elements and practical applications of various planning and appraisal methods
- Contemporary concepts of policy issues, strategic context and project decision analysis
- Introduction to an integrated project appraisal, including strategic needs analysis, cost and time estimates, technical, environmental and social evaluation to drive a justifiable value for money decision
- Tools and techniques of dealing with risk and uncertainty in project decisions
- Combination of a range of specialist appraisal tools into an integrated, robust project selection process
- An appreciation of limitations of rational decision processes and strategies to address such limitations

OBJECTIVES

- This interactive and practical Project Appraisal training course will provide an insight into how contemporary organisations can meet the challenge to pick the best projects against a context of incomplete information, high uncertainty and limited resources.
- This training course will focus on the best tools to manage the project appraisal process: identifying, defining, planning and evaluating projects using a range of methodologies designed to maximise project value. It will provide an understanding of key inputs from these appraisal processes into the linked mechanisms of economic and financial assessment.

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

- Appreciate the strategic context and implications of project appraisal decisions
- Describe and apply the key methodologies of project planning, estimating and appraisal
- Appreciate the advantages and limitations of different planning, estimating and appraisal techniques
- Understand the ways to make decisions under risk and uncertainty
- Analyse the key policy and evaluation issues and develop an integrated project selection approach
- Apply effective strategies to address typical errors and biases in project appraisal decisions

TRAINING METHODOLOGY

- This Project Appraisal training course will utilise a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. The daily workshops will be highly interactive and participative. This will involve regular discussions on key concept in project appraisal, the uses and limitations of various techniques, and how best to identify, evaluate, select and structure these high value undertakings.

ORGANISATIONAL IMPACT

- Application of sound project appraisal techniques will enable the organisation to forecast potential future conditions that might create strategic opportunities or jeopardise project success, thereby not only maximizing the organisation's return on capital invested in projects, but also improving its reputation for delivering positive outcomes.

PERSONAL IMPACT

By the end of this training course, your contribution to your organisation will have been significantly enhanced. You will be able to:

- Understand the benefits likely to be achieved through projects initiated after proper strategic appraisal and selection processes
- Apply tools and techniques that deploy latest best practices in project definition, planning and appraisal

- Discover how to evaluate and compare alternative/competing project investment options, and recommend projects with optimal potential value for further detailed financial and risk analysis
- Effectively present and influence investment decisions

WHO SHOULD ATTEND?

- This Project Appraisal training course is suitable to a wide range of professionals involved in the development, appraisal, implementation and management of projects. Those with previous experience in project appraisal will be able to share their expertise with others; the broad base of participants ensures that everyone benefits from a wide range of sector and policy perspectives.

This training course will particularly benefit:

- Project and Contracts Personnel in both public and private sectors
- Technical Specialists seeking broader perspectives of project planning & implementation
- Government Officials, Ministries, Public Sector Agencies
- Project Financiers, Developers, Sponsors, Consultants
- Risk Management Personnel
- Project Management Professionals

Course Outline

Strategic Context of Project Decision Analysis

- What is Project Management Decision Analysis?
- Project Management Maturity
- Managing Programs and Portfolios
- Strategic Planning and Policy Context
- Typical Project Organisation Structures and Implications for Project Investment Decisions
- Using Subcontractors
- Key Issues Addressed by Project Appraisal
- Market Analysis
- Technical Analysis

Defining Project Scope and Estimating Timeline

- Project Life Cycle
- Project Initiation
- Uncertainty in Project Selection and Planning Decisions, Stage Gate Approach
- Project Trade-offs
- Understanding and Managing Project Scope
- Projecting Project Timeline

Evaluating Project Costs

- Fundamentals of Budgeting and Cost-control
- Estimating Methods
- Dealing with Uncertainty in Estimates
- Resource Allocation and Cashflow Estimates
- Value for Money Decisions
- Important Cost Considerations: Whole of Life Costs, Cost of Quality and Uncertainty
- The Contents of a Project Plan

Project Analysis Under Risk And Uncertainty

- Project Risk Considerations
- Risk and Contingency Analysis
- Thought Leadership on Risk and Uncertainty in Projects
- Making Rational Strategic Choices
- Selecting Projects to Meet Organizational Goals
- Decisions under Certainty, Risk and Uncertainty

Strategic Project Selection

- Project Feasibility Studies – An integrated evaluation
- Introduction to Scenario and Sensitivity Analysis - Decision Trees
- Psychological Aspects of Investment Decisions: Before You Make That Big Decision
- Influencing Investment Decisions