



# NATIONAL UNIVERSITY OF SCIENCES & TECHNOLOGY

## Engineering Project Management (OTM-455)

### Assignment 1 *Project Feasibility Report*

#### Submission Details

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OTM 455 - Engineering  
Project Management

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- What is the purpose of a project feasibility report?  
Please list down its main contents and the areas which it normally covers.

- Introduction

- └ Definition

A project feasibility report is a document that assesses the viability of a proposed project. It aims to evaluate the proposed project paths on the basis of their technical, economic, financial, and environmental feasibility.

- └ Purpose

The main purpose of a project feasibility report is to break down different approaches to a project, weigh the pros and cons of each approach, and accordingly choose the path that yields the highest gains, if any.

- Main Contents

The typical sections of a feasibility report include:

- Introduction

Provides a brief overview of the project and the proposed approaches. It may also include the scope of the project.

- Executive Summary

A fundamental component of a feasibility

report; provides a brief description of what is enclosed within the report, the key takeaways, and how the project aligns with the company's vision.

#### - Benchmark Criteria / Evaluation Criteria

Provides reasoning and overview of how different approaches are assessed, and what the ideal outcomes are. Criteria may include:

Financial Costs ; Tax Implications ; Public Image ; Social and Environmental Impact

#### - Market Analysis

Provides integral assessments relevant to the potential demand for the project, the target market and understanding the competitive

landscape. It answers questions such as:

Is the market growing ?

Who are the project's ideal customers ?

Are there any major competitors ? etc.

A viable marketing strategy is also proposed catering to the above questions.

#### - Technical Analysis

It assesses the technical feasibility of a proposed project. This analysis includes sub-evaluation of the availability and the capabilities of necessary equipment. The availability may be within the organization or identifying external vendors. Additionally, the team assigned to the project is also evaluated and potential training plans are devised, if needed.



## - Financial Analysis

Assesses the financial viability of the project and the proposed paths by studying the one-time costs, such as that of equipment, against the expected return on investment. It also includes two crucial metrics, as:

Net Present Value (NPV)

Internal Rate of Return (IRR)

, that are used to determine the project's financial attractiveness. It may also include the impact of project on the cash flow at an organizational scale.

## - Risk Assessment

Provides information about potential risks that may hinder project completion. A **risk assessment matrix** is used to assign a probability and impact rating to identified risks, and on its basis, a risk mitigation strategy is adopted.

## = Evaluation

Using the established criteria and aforementioned analysis areas, project paths are categorized on a feasibility scale. This includes graphs and charts that are reader-friendly and convey the key takeaways.

## = Conclusions & Recommendations

Summarizes the report to a close and

makes deductions on whether to proceed with the project or not, and if so, which project path is the most opportunistic.

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