

Five Days In-service Training Programme

***for the Officers of
Indian Administrative Service***

On

Project Appraisal and Management

23-27 February, 2009



***INDIAN INSTITUTE OF FOREIGN TRADE
New Delhi***

PROJECT APPRAISAL AND MANAGEMENT

INTRODUCTION

Successful Project Appraisal and Management has been the key to controlling costs in all organizations. True cost control comes by understanding, eliminating and minimizing risk prior to a business committing any funds. Much of the risks in projects may be because of poor estimates; hence, ability to forecast cash flows and separate the risks inherent in them must be consciously cultivated. Projects can range across the economic and social spectrum from infrastructure, to education, to health, to government financial management. This course studies the stages required for practical financial and business appraisals of projects and capital expenditure.

TRAINING OBJECTIVES

This course has two primary objectives:

- To improve the quality of the appraisal process in the widest sense – demonstrating how the process of project and capital expenditure appraisal can be used to dramatically improve cost control and deliver as risk-free as possible expenditure.
- To improve the quality of project management – from planning to execution and control phase

As a result of the course, participants will be able to:

- Understand the economics of appraisal
- Be in control of their projects from the start
- Carry out sensitivity analysis and identify risk
- Apply good project management principles for proper execution and control

The benefits of attending this course will be demonstrable from day one. Thorough appraisals and risk assessment follow through to success in project management and detailed cost control and project management.

AUDIENCE

All senior executives and officers who need to:

- Review or learn the concepts and measures used in project or capital expenditure appraisal
- Develop their company and personal process of project or capital expenditure appraisal
- Focus themselves and other members of the team on the risks which must be managed to ensure successful project outcome – delivery on cost

FORMAT

A very practical five-day programme comprising lecture sessions, interspersed with practical exercises and case studies, all backed up by full notes with sample checklists and models which will enable participants to take quantum leaps in their appraisals of expenditure, whether on plant and equipment or on entire projects.

COURSE OUTLINE

1. Introduction

- Why appraise?
- Taking risk out of investment
- The short- and long-term results of not appraising business expenditure

2. Developing an appraisal /management process

- The process – overall and stage-by-stage objectives
- Understand business and technical risks
- Manage resources and time
- Do you invest enough time and effort at this stage?
- Take out the risks – control costs before you are committed to contracts and action
- Checklists
- Paying attention to project closure including lessons learned

3. Appraisal arithmetic

- Review of the arithmetic of appraisal
 - The time value of money
 - The effects of different interest or required rates
 - The effects of inflation (or deflation) in prices and costs
- Understanding the economics of appraisal is essential

4. Appraisal measures

- Meaning and use of appraisal measures
- Identifying the most appropriate measures for your particular business
- Payback
- Discounted cash flow measures – NPV and IRR, Profitability Index
- The meaning of the measures and their application in practice

5. Cost benefit analysis

- The effect on decision-making of more intangible benefits
- Cost benefit analysis
- Ensuring costs are genuine
- Measuring intangible benefits
- Environmental issues
- Consideration of intangible benefits in the appraisal decision-making process

6. Developing appropriate models

- Developing models – examples of spreadsheet models and measures for many different situations
- Modelling investment opportunities – summarizing outcomes
- Sensitivity analysis – identifying, quantifying and taking out risk

7. Developing an appraisal process

- The process – managing risk from the outset
- Using the process in risk management, negotiating and project management
- Take out risk by thoroughly knowing your project – developing your own process

PROGRAMME DURATION

Five Days: 23-27 February, 2009 (Monday – Friday)

VENUE

IIFT Bhawan, B-21 Qutab Institutional Area, New Delhi 110 016.

The Indian Institute of Foreign Trade is located in the Qutab Institutional Area, New Delhi. It is adjacent to National Council of Educational Research and Training (NCERT) and Qutab Hotel.

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