

PROPOSAL

PROJECT/MARKET ASSESSMENT AND FEASIBILITY STUDY

ON BEHALF OF

SUBMITTED BY:

Date

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I INTRODUCTION

_____ has requested a proposal to perform a project/market assessment and feasibility study of a (peace project) in (location) to provide _____.

The organization has identified a potentially viable (peace project) and requires assistance in the project/market identification and assessment, possible venture partner selection, infrastructure, operational requirements, and management of the new project. _____ may have the opportunity to undertake a major (peace project) to meet identified needs however such direction has not been rationalized.

In order to establish a business plan to take advantage of potential opportunities/meet identified needs, _____ wishes to have:

- (1) a rigorous analysis of the market for (peace project) _____ and related services.
- (2) Identification, and assistance with the selection of, joint _____ venture partners (if applicable).
- (3) A comprehensive review for each service line and opinions
On market assessment and promotional activities and product _____ pricing, plus an assessment of their operating processes _____ and techniques.
- (4) a business plan developed to recommend and activate the
Changes necessary to introduce the new operations and to
Achieve potential profitability.

Any investment decision regarding the future development of (peace project) will require a value-added approach. This must be based on excellent operational intelligence. Operational plans and investment levels will be dependant on a well-defined market/project profile.

We appreciate _____'s interest in regards to the development of a viable (peace project), its contribution towards the local community, the current investment in _____ and the desire to attract financing for the possible expansion of this job people building enterprise. Our proposal outlines our comprehensive approach to the analysis of _____'s current project/market opportunities and mapping out a successful business plan.

II PROJECT TEAM

A. GENERAL

1. Name and address of Head Office:

2. Mailing address:

3. Team Members and Location:

Technical expert -

Financial expert -

Construction expert -

Other -

B. KEY PERSONNEL SUMMARY

1.

Detailed resumes of all proponents/staff are enclosed in Section VII.

III PROJECT METHODOLOGY

PURPOSE

The purpose of the project is to evaluate the project/market opportunities of the (peace project), to develop a well-defined market profile in the (location) on which to base operational decisions, to assist the key stakeholders (including joint venture participant and potential financiers) in assessing whether they should provide financing to the organization.

Key to this project will be the rationalization of local/public involvement in a major peace program, and the expected benefits compared to costs. In preparing this proposal our team has considered the current environment in (location), (peace programs/ services) to existing markets, and the current political (other) climate.

If through the market assessment the opportunity is proven to be viable, the organization and its key stakeholders require a long term business plan for the operation that can be used to attract investment capital and/or financing.

OUR APPROACH

Phase 1 - Market Assessment

1.1 Project start-up

As soon as we receive your authorization to proceed, we will set up a meeting between ourselves and your designated representatives. The purpose of this meeting will be to:

- ! Confirm the work program
- ! Finalize the (consulting) contract
- ! Agree on meetings, reporting requirements and project billings
- ! Obtain any background information, existing resource material and list of key people to be contacted and/or interviewed.

1.2 Initial orientation and planning

The objectives of this work element are:

- ! To allow us to review readily available material and plan the scope and depth of our research, interviews and field work to produce the results expected within the available time and budget.
- ! To have an orientation meeting with your designated representative to reach agreement on the direction of the project.

Among the matters considered will be:

- ! the scope of the engagement to ensure a common understanding of what is to be included in, and possibly excluded from, the project;
- ! staffing plans;
- ! the proposed plan and timing for conducting the project and co-ordination with you;
- ! lines of communication for purposes of direct enquiries and reporting during the engagement;
- ! any possible special instructions with respect to the engagement;
- ! significant recent developments;
- ! overview of current status;
- ! issues encountered to date.

An overview of the work program is shown in Exhibit 1.

1.3 Project/Market Research and Assessment

a) Project/Market assessment - The definition of key users/markets will be critical to making a determination of the feasibility of the different potential opportunities of the (peace project). Elements of this phase should at least include:

- ! researching and identifying markets for the specified (peace project) services in the (location) over a ten-year planning horizon.
- ! analyzing user/consumer preferences and usage/purchasing trends within the target regions by service and determining total usage/purchases on an annual basis.
- ! segmenting usage/purchasing patterns to determine the relative importance of major users/purchasers (eg. government departments and agencies) with respect to market share that may be captured by the organization, and overall financial viability.

! where possible, providing a physical count of potential users of the organization's proposed services.

! meet with government/regulatory agencies to review their specific requirements.

b) Service/Product Planning - We will review industry information (available from other suppliers/sources) and produce an assessment of their reliability, track record, etc. and make recommendations for the procurement of services, equipment and supplies from the (locale) and/or elsewhere.

c) Pricing Strategy - We will review the proposed pricing strategy to evaluate the completeness of the process. This will include an assessment of the assignment of direct costs, indirect costs, and overhead and how and when these costs are assigned. We will compare this process to competitive information, where available.

d) Marketing Strategy - Recognizing that any government funding/ contracts will anchor this opportunity, we will analyze the organization's proposed efforts to develop markets for the (peace program) and other services in the (location). This will include an assessment of possible product and service PROMOTIONS, and ADVERTISING campaigns. We will provide a plan of action for the organization to use in increasing its visibility in its market area and to show how its services can meet the needs of local clients/customers and potential users outside the immediate market area.

e) Competition Analysis - As part of our discussions with the management and key stakeholders of the organization, we will determine who the competition is (if any), how long they have been in operation and in which products and services. Using information that we may gather, we will assess the competitor's pricing practices, and product quality. We will also attempt to determine if there are any potential newcomers who will be or are capable of entering into competition in additional service/product areas.

We will work with management to develop a marketing strategy to exploit the opportunities identified.

1.4 Consideration of Joint Venture Proposals

We will assist the company by assessing potential joint venture models including:

- ! meet with potential partners to review their requirements and interest in entering a joint venture or other relationship
- ! determining minimum returns and venture conditions considered essential by the organization and partners
- ! determine criteria for measuring suitability of joint venturers

1.5 Completion of interim report

An interim report is made at the end of the data accumulation, and market analysis stage. At this time an evaluation will be undertaken. The terms of reference may be revised as a result of the interim review with you or you may wish to terminate the project at this stage.

We will prepare what we refer to as a prefeasibility study on the identified (peace project) opportunity to enable us to rate the opportunity based on its ability to help the proponent achieve its goals.

The prefeasibility study will include identification of the following over a 10 year period:

- ! approximate market size
- ! operating issues peculiar to the (location)
- ! estimated market penetration and resultant revenues
- ! estimated product or service operating and administration costs
- ! estimated net income (loss)
- ! investment requirements and sources
- ! sensitivity analysis of break even, payback and/or return on investment
- ! ability to meet other organizational decision criteria
- ! key success factors that are critical to ensuring economic viability of the project

Our consultants will be available for the presentation of our findings.

EXHIBIT 1 - OVERVIEW OF WORK PROGRAM

Phase 1 - Project/Market Assessment

- 1.1 Project start-up
- 1.2 Initial orientation and planning
- 1.3 Project/Market research and assessment
- 1.4 Consideration of Joint Venture Proposals
- 1.5 Completion of interim report

Phase 2 - Financial Feasibility and Business Plan

- 2.1 Infrastructure requirements
 - 2.2 Operational requirements
 - 2.3 Financial feasibility and financing plan
 - 2.4 Business plan
 - 2.5 Implementation strategy
 - 2.6 Reporting
 - 2.7 Ongoing assistance
-

Phase 2 - Financial Feasibility and Business Plan

At this time, we would expect the Organization to decide on whether to proceed to the Business Plan stage and our focus for the remainder of the project.

2.1 Infrastructure Requirements

During the first phase of the project we will have obtained general specification of equipment and "plant" size required for the operations. In order to develop the business plan, we will visit selected suppliers and obtain fixed price quotations based on the equipment needs identified based on project/market potential. We will also enquire as to special requirements that may exist.

2.2 Operational Requirements

Upon completion of the prefeasibility study, we will be able to review the legal implications and alternatives open to the Organization including incorporation of a new organization, the resultant tax implications, legal requirements as a result of financing, applicable regulations, insurance requirements, etc.

In addition, we will identify operational requirements as follows:

- ! a recommended and specific operational structure for the Organization to address control requirements over the new business
- ! adjustments that may be required to the existing structure of the Organization to assist in amalgamating the operations, where appropriate, to take advantage of existing systems and human resources
- ! a human resource and training plan including organization chart and brief position descriptions

2.3 Financial Feasibility and Financing Plan

The feasibility study will include a detailed study covering ten years of:

- ! market size, market penetration and resultant revenues
- ! growth potential and optimal size of operation
- ! product or service operating and administration costs
- ! projections of annual profit and loss and balance sheet for 10 years
- ! corporate tax implications (if any)

- ! investment requirements and sources
- ! sensitivity analysis of break even, payback and return on investment
- ! other economic and social benefits
- ! identification of the degree of success in meeting original objectives.

2.4 Business Plan

Through the use of a computer spreadsheet, we will document the 10 year financial plan for, and with, officials of the Organization as follows:

- ! projected income statements
- ! projected balance sheets
- ! projected tax positions
- ! cash flow forecasts (monthly for one year)
- ! amortization tables for debt
- ! assumptions
- ! ratio analysis

The business plan for the Organization will be done in a format suitable for taking to a bank or other funding/financing institution. An example of the business plan and spreadsheet formats are provided in Appendix 1.

2.5 Implementation Strategy

To be successful, all of the above must be turned into an effective action plan. We will identify the following:

- ! timetable with target completion dates
- ! assignment of responsibilities for action
- ! step by step actions required
- ! who can assist in completing steps (eg. typical government officials, etc.)
- ! monitoring system to ensure success

The action plan will be presented in such a way that facilitates the development and full scale operation of the chosen (peace project) opportunity. We will also complete the necessary application for funding/financing.

2.6 Reporting

Once we have completed the above tasks, we will discuss our draft report with you to ensure its completeness and accuracy. Any revisions will be made as necessary. We will be available to discuss the application for financing with the appropriate lending agency and make revisions

should it be further necessary.

2.7 Ongoing assistance

We will be available for consultation and advice on an ongoing basis throughout, and after completion of, the project.

IV PROJECT SCHEDULE

Assuming we are given approval to proceed with the project by _____, we would schedule completion dates as follows:

Target
Date

Phase 1 - Market Assessment _____

Phase 2 - Financial Feasibility and Business Plan _____

This project is scheduled for completion by _____.

V PROFESSIONAL FEES AND EXPENSES

A. TIME

B. EXPENSES

VI. REFERENCES

The following references may be contacted with respect to similar work which we have undertaken:

VII. RESUMES

APPENDIX 1

BUSINESS PLAN AND SPREADSHEET FORMATS

For templates:

Lotus 123 – <http://www.peace.ca/businessplan.123>

Excel – <http://www.peace.ca/businessplan.XLS>