

MB 301
ENTREPRENEURSHIP &
PROJECT MANAGEMENT

LECTURE 19

Project Report Preparation

IMPORTANCE OF A PROJECT REPORT

- ❖ Registration of the industry, land allotment, loan sanction, subsidy sanction, allotment of the quota of raw material, infrastructural facilities and other facilities are availed, based on the project report.
- ❖ As full details of various stages for setting up the industry and methods thereof are included in the project report, the entrepreneur can foresee the profitability and growth to some extent from it.

OBJECTIVES OF A PROJECT REPORT

1. Selection of Best Investment Proposal- the project report is required to take the decision regarding the best investment and also to know, which investment is not good.
2. Registration and Approval of Project-the project reports are essentially required to be sent to the Directorate of industries, other government departments, and the district industries center.
3. Financial Assistance-For availing financial assistance, the project report is required to be sent to various specific Financial Institutions, banks and investment corporations.
4. Solving of Various Doubts and Inquests-It presents solutions to various doubts and inquests relating to the project.

OBJECTIVES OF A PROJECT REPORT

5. **Appropriate Basis**-The project report is an appropriate basis for getting infrastructure facilities, incentives, and concessions in various taxes from Government and other Institutions.
6. **Testing of Business Profitability and Soundness**-The objective of the preparation of the project report is also to test the business profitability and soundness of the project. The comparative review of estimated costs and possible income is possible by the project report.
7. **Different Privileges/Exemptions**-Preparation of project report is necessary also, because:
 - ❖ **Permanent and Temporary registration at District Industries Centre is possible, only on submitting copies of the project report with the registration form.**
 - ❖ **Allotment of developed land and sheds also requires project report.**
 - ❖ **The raw material may be procured from Industrial Corporations.**
 - ❖ **The loan may be obtained from different business Institutions, banks or commercial banks.**
 - ❖ **The future financial position of the concern may be assessed, with the help of the project report.**

CONTENTS OF A PROJECT REPORT

❖ **Executive Summary**-The Executive Summary is a one-page document that summarizes the purpose, goals, and approach of the project.



1. Background of the business

2. Customer's profile

3. Long and short term Corporate Objectives

- To perform a viability assessment of the proposed new business ideas in terms of marketability, technical feasibility, financing and authorities
- To be able to prepare a relevant business plan
- To recognize fundamental startup issues

CONTENTS OF A PROJECT REPORT

4. Market Analysis

- Brief discussion on the type of market, chief influencers, players, etc
- Market description
- Reasons for starting business in a particular market
- Target clients
- Advantages of the services offered by the new business
- Market consumption patterns
- Past and existing supply location
- Production prospects and limitations
- Exports and Imports
- Price structure
- Flexibility of demand
- Client behavior, purposes, intentions, impetus, approaches, inclinations and needs
- Supply network and marketing rules formulated by the government
- Government and technical limitations imposed on the promotion of the product

CONTENTS OF A PROJECT REPORT

5. Financial Assessment

- Investment expenditure and value of the entire project
- Methods of investment
- Anticipated productivity
- Money flows of the project report
- Investment value evaluated in context of different points of merit
- Estimated financial ranking

6. Marketing Assessment

- Product
- Price
- Place
- Promotion

7. Operational Plan

- Business models
- Production of goods and services

CONTENTS OF A PROJECT REPORT

8. Financial Plan

9. Management Structure

10. Business structure (Ownership, staff, etc)

11. SWOT Analysis-Significant Success aspects depending on Strengths, Weaknesses, Opportunities and Threats to be faced by the firm in future

12. Appendices

- Break-Even Assessment
- Profit and Loss Synopsis
- Fund Flow Summary

- TILL WE MEET AGAIN IN THE NEXT CLASS.....

