



# SC110: Construction Financial Management:

Sound Financial Evaluation, Planning & Control of Construction Projects

## Training Description:

Construction Projects are capital intensive and require significant working capital to see the project through to its successful completion. In addition, there are many financial and operational risks, interest rate risk with the associated finance, delays and downtime leading to default risk, penalty payments and liquidity risk.

As a result, it is vital that those involved in the Financial Management of Construction Projects have the skills and knowledge to evaluate the financial viability of projects and manage the on-going risks to ensure that financial targets are met for the benefit of all stakeholders.

### The training course will highlight:

- The latest tools and techniques to evaluate financial viability
- Real world case studies from the world of Construction Finance
- Detailed analysis of the major risks
- Management of the Triple Constraints – Time, Cost & Quality/Scope
- Skills development to ensure direct benefit to participants and their organization

## Training Objectives:

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

- ✓ Recommend how to Finance Construction Projects from Initiation to Completion
- ✓ Evaluate the Financial Variability of Potential Construction Projects
- ✓ Successfully Manage the Finances of a Construction Project
- ✓ Provide on-going Financial Control of Construction Projects
- ✓ Identify, evaluate and manage the major Financial Risks

## Training Requirement:

“Hand’s on practical sessions, equipment and software will be applied during the course if required and as per the client’s request.”

Contents can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client’s learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.

## Training Program:

### DAY ONE:

- ❖ **Construction Projects & Construction Finance**
  - The Stages of Construction Projects & Finance – from Initiation to Development & Completion
  - Establishing Resource requirements
  - Cost Estimation - Direct & Indirect Project Costs
  - Estimating Activity Duration – PERT & Probability Analysis
  - Planning and Scheduling Limited Resources
  - Establishing the Project Schedule & Activities using GANNT Charts, Network Diagrams & Critical Path Analysis

### DAY TWO:

#### ❖ Financing Construction Projects

- Financing Capital Investment – Public & Private Equity & Debt Finance
- Recourse & Non-recourse Finance
- Special Purpose Vehicle (SPV) & Parties to Project Finance Schemes
- Calculating the Cost of Finance
- Bonds; Guarantees and Letters of Credit
- Sources of Working Capital/Operational Finance

### DAY THREE:

#### ❖ Evaluating the Financing Viability of Construction Projects

- The Investment Criteria
- The Investment Planning Process
- Financial Evaluation/Feasibility – Payback, NPV & IRR
- The Key Determinants of NPV and the Decision-Making Process
- Sensitivity Analysis & Simulation Analysis
- Financial Targets: Return on Equity ROE, Economic Growth and Value for Money (VfM)

### DAY FOUR:

#### ❖ Financial Management of Construction Projects

- Managing the Triple Constraints – Balancing Time, Cost & Quality/Scope
- Cost & Budgetary Control
- Earned Value Analysis – Controlling Cost & Schedule Variances and Recovery Plans
- Managing Liquidity throughout the Project
- Managing Debt: Debt Service Coverage Ratios (DSCRs); Interest Cover etc.
- Evaluating Performance & Meeting Financial Targets– Client Satisfaction, Financial Return & Social/Economic Value Added

### DAY FIVE:

#### ❖ Risk Management of Construction Projects

- Risks & Uncertainties
- Identifying Risk: Technical, Logistical, Environmental, Economic and Financial
- Measuring & Evaluating Risks & Uncertainties – Their Likelihood & Impact
- Project Risk Strategies & Contingency Planning
- Cost Schedule Risk Analysis (CSRA) Process & Responsibilities
- Managing, Default, Interest Rate & Exchange Rate Risk Response Planning & Reporting

#### ❖ Course Conclusion

#### ❖ POST-ASSESSMENT and EVALUATION

## Training Fees:

**TBA as per the course location** - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01<sup>st</sup> of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

## Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

## Training Certificate(s):

CMCT Internationally recognized certificate(s) will be issued to each participant who completed the course.

## Training Timings:

### Daily Timings:

07:45 - 08:00	Morning Coffee / Tea
08:00 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:00	Recess (Prayer Break & Lunch)
13:00 - 14:00	Last Session

### For training registrations or in-house enquiries, please contact:

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