

Impact of Poor Feasibility Analysis and COVID19 on the Outcome of Extension of Production Plant

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Abstract

This study accentuates the significant reasons for the failure of private businesses to avail the government financing schemes in the developing world productively. By taking the Pakistani industrial sector as the context, this research explores the various impediments that companies encountered, which attenuated their potential to exploit the financial opportunities provided by the government effectively. A low tariff financing scheme of up to Rs. 5.0 billion laid by Government of Pakistan (GoP), aimed at provision of higher employment coupled with enhanced production to meet foreign & local chunks directing increased FX reserves, was exploited by a large industrial group. The initial plan for the extension of production plant of caustic soda was outsized chaotically adding inhouse power generation plant, to embrace the maximum subsidized funding offered by the GoP. The poor feasibility analysis, evaluation of technical resources, mitigation plans and unprofessional handling ended up losing all advantageous money beside losses. This study also includes the combined effect of delayed realization of SCM tools and COVID19, joined by an incompetent inventory inspection team, resulted losing competitiveness. The study shall be computing time delays, improper financial estimates, COVID-affected shipments, and lack in good Bill of Materials (BOM), eventually distressing SCM. The expansion cost a year besides 70-75% additional cost than estimated. The parameters shall explicate proficiently perceiving the project. The techniques are kept artless to evaluate obtainable data and feasibility to conclude. The study anticipates to provide an insight the lacking capacities and suggestive improvement in SCM from planning to bottom line.

Keywords

Supply-chain management, Feasibility Analysis, Delay Analysis, Financial Management and Plant Extension.

Biographies

Hafiz Anwar ul Haq currently serving as a Deputy Director at National Institute of Banking & Finance (NIBAF), a training subsidiary of the State Bank of Pakistan (SBP). Hafiz possesses a diversified experience of over 16 years including but not limited to industrial research, policy making, export refinancing schemes of the SBP, cash operations

of SBP, and credit financing of commercial banks for medium to large conglomerates. He holds a Masters in Information and Operational Management from the University of the Punjab, Lahore, Pakistan. He holds number of central banking certification from the SBP including a 20 weeks intensive training covering all functions of the central bank. His in-house research for on top 50 borrowers of Pakistan played pivotal input in prudential regulations of central bank of Pakistan. He represented the SBP in Currency Management conference held in Czech Republic in 2017. He was main contributor of currency management strategy for commercial banks in Pakistan. Hafiz is a focused professional with an aptitude of learning multiple industries with a critical eye. A self-driven optimist offering solutions to problems.

Muhammad Bilal Qureshi is an accomplished professional with over 15 years of industrial experience in Supply Chain as Manager Imports & Exports. He earned Masters of Business Administration with focused in Finance & Masters in Information and Operation Management from University of the Punjab, Lahore, Pakistan. Bilal diversified experience demonstrated history of working in the textiles and chemicals industry. Did research to identify the dividend policy in banking sector of Pakistan. Bilal is a goal-oriented Supply Chain professional with excellent communication, problem-solving skills, and ability to work with minimum supervision.

Mansoor Ahmed is an accomplished professional engineer with over 15 years of industrial and academic experience in Design, Development and Quality Assurance. He also successfully implemented Project Management techniques within the product development and construction industry. Mansoor has demonstrated excellence in cross-functional team's formation and leadership skills for interdisciplinary collaborative project and has proven track record for delivering turnkey projects from conceptual design to commissioning. Mansoor is a goal-oriented engineer with excellent communication, problem-solving skills, and ability to work with minimum supervision. His research interests include comparative study of managerial techniques in different industries and mechanical system designs.