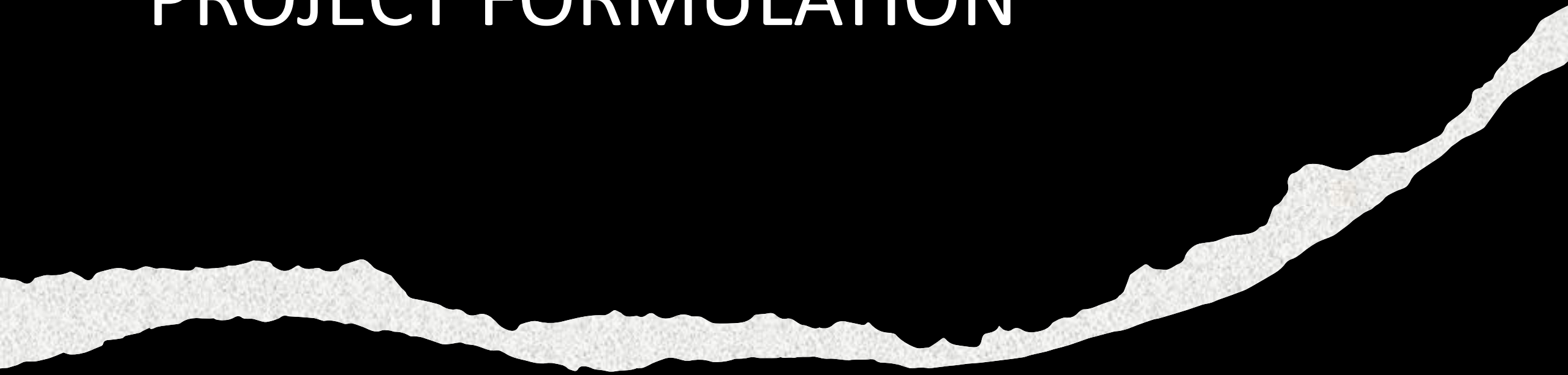


# COMMON ERRORS IN PROJECT FORMULATION



PRESENTED BY

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# Introduction

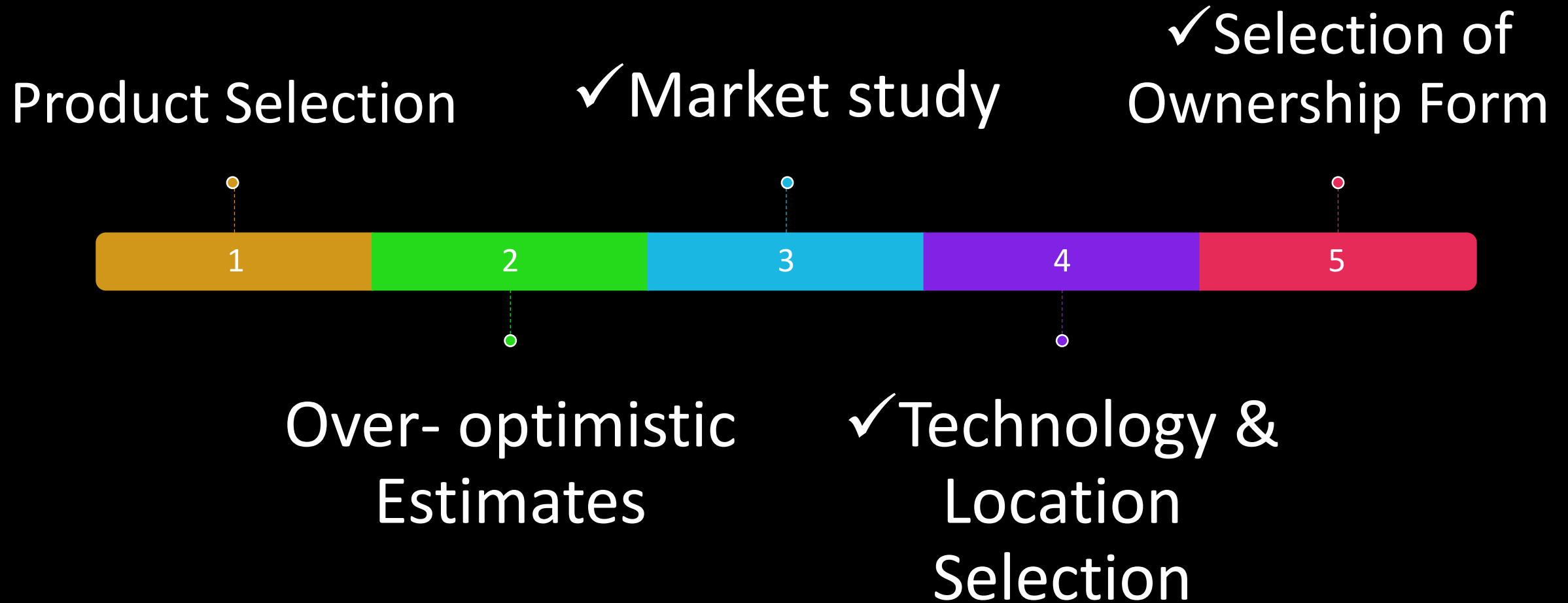
Project formulation is a systematic, step-by-step development of a project idea for the eventual objective of arriving at an investment decision.

It is a scientific mechanism which enables the entrepreneur to achieve the project objective with minimum expenditure and adequate resources.

It is an analytical management aid.

# *Common Errors*

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# Product Selection

Selection of wrong product

Lack of comprehensive view

Not giving due attention to other aspects



# Over-Optimistic Estimates

- Over-optimistic estimates of capacity utilization, based on a completely false premise
- Disregard of present-enterprise performance, prevailing market conditions, competitive atmosphere & technical snags





# Market Study

- › Market study of the product is important
- › Based on nebulous ideas, scanty & scattered information on the demand and supply of their proposed product
- › This is a wrong attitudinal block



## MARKET RESEARCH



46%  
FARMER



66%  
TEACHER



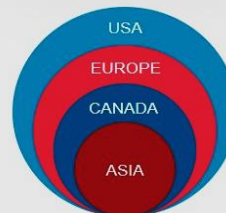
26%  
AIR HOSTESS



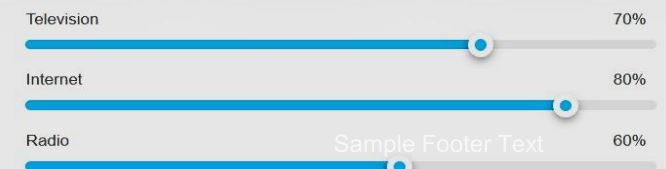
57%  
TRADESMAN



78%  
CHEF



Social Trends  
Podcasts  
Product Info  
Best Practices



# Technology Selection

A person is shown in profile, wearing a VR headset and holding a controller. They are interacting with a futuristic, glowing digital interface that features various data visualizations such as pie charts, bar graphs, and line charts. The interface also includes text elements like 'FUTURISTIC HUD' and 'TEST'. The overall aesthetic is high-tech and immersive.

Requirement differs depending upon the nature of products

Not possible to set up within limited financial resources due to profit margins

Enterprise foredoomed to failure in the absence of technological feasibility

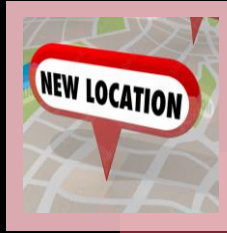


# Location Selection

9

Two types of errors :

- overrides & disregards other factors like market proximity, availability of raw materials, manpower and infrastructural facilities



## MONETARY

- Based on Govt incentives & concessions to establish industries in a particular location



## SENTIMENT


- Location selected based on being home town or owning of ancestral land

# Selection of Ownership Form

- ✧ Comprehensive view of the factors affecting the selection of a form needed
- ✧ To avoid stoppages and disputes in the project
- ✧ It is essential for developing cost and benefit estimates & resources planning



# Conclusion



The project report for an entrepreneur is what a guide map is for a traveler. To complete the project within a stipulated period and cost, all activities involved in the project are scheduled in a sequential relationship called a network or schedule of activities.

The common errors made by the entrepreneurs while formulating project reports/ business plans are also highlighted.

The project report is required for purposes of obtaining funds from financial institutions and banks.





Thank  
you

