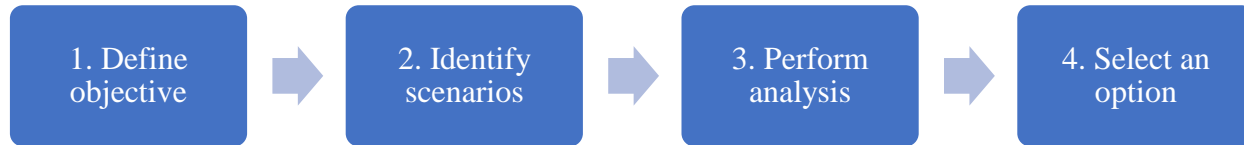


Book being published in 2024:

*Strategic Project Analysis: A Powerful Set of Cost-Benefit Tools and Techniques for Managers*

---

Cost-benefit analysis is a process of comparing different projects. Simplistically put, quantitative approaches are typically used to calculate economic benefit, and qualitative or mixed-method approaches are used to evaluate the impact of social initiatives and public policy.



Identifying scenarios also means defining the scope of the analysis to be performed. In theory, the analysis should be all-inclusive, evaluating all known costs and benefits. In reality, this is not practical. Scope definition involves establishing boundaries for the analysis, usually due to resource constraints, and identifying stakeholder standing.

Performing analysis involves identifying and quantifying or describing costs, benefits, and disbenefits for the project(s), determining feasibility, then selecting a project for investment. The process may be iterative.

Ultimately, a report is written to provide the analysis conclusions and other information to decision-makers and stakeholders. The recipient of such a report has an obligation not just to read the report but also to apply critical questioning, identifying shortcomings of the report and seriously considering them in the context of the reader's own intended use of the report data and conclusions. The following questions may be useful to consider when reading the report:

Context helps explain the intent, perspective, and potential biases that shape the report and its conclusions.

1. What is the funding source for the analysis?
2. What is the perspective from which the analysis was conducted?
3. What is the analysis objective?
4. What is the expected audience for and use of the report?
5. What is the expected use of the report

Critical questioning is a tool for reflecting on information received. Critical questioning skills include recognizing ambiguity, probing data to make informed decisions, testing conclusions, challenging assumptions and statements, and identifying flaws, omissions, and inconsistencies.

1. Is determination of stakeholder standing clearly explained and justified?
2. Is the selection of the discount rate clearly explained and justified?
3. What is the timeframe in which costs and benefits are analyzed? How is it justified?
4. Is there any weighting applied to scoring? How is it justified?
5. Does the report identify its data sources?
6. Does the report clearly explain the methodologies used for quantification?
7. Was a sensitivity analysis conducted? How does the report reconcile or acknowledge the sensitivity of those variables?
8. How was scenario ranking conducted? Is the methodology clearly explained and justified?
9. How clear is the logic, justification, soundness, and relevance of the analysis and conclusions?
10. Does the report identify any unquantified benefits? How are they treated?
11. Are assumptions and omissions identified? Are they clearly explained and justified?
12. Are implications and consequences identified? Are they clearly explained and justified?
13. Is any bias evident?
14. Is any clarification needed?
15. Is there any lack of evidence?

Critical questioning is the key to identifying shortcomings of the report and making informed decisions.