

# Alternative Analysis: Capital Investment Project

## 1. Project Overview

**Project Title:**

**Date:**

**Prepared by:**

**Objective:**

State the primary objective or need addressed by this capital investment.

## 2. Alternatives Considered

Alternative	Description	Estimated Cost	Benefits	Risks/Drawbacks
Alternative 1	Brief description of the first alternative.	\$	Key benefits here.	Main risks/drawbacks here.
Alternative 2	Brief description of the second alternative.	\$	Key benefits here.	Main risks/drawbacks here.
Alternative 3	Brief description of the third alternative.	\$	Key benefits here.	Main risks/drawbacks here.
Do Nothing	Describe what happens if no action is taken.	\$0	Benefits of status quo.	Risks/impacts of inaction.

## 3. Evaluation Criteria

List and briefly explain the main criteria used to analyze the alternatives (e.g., financial return, operational impact, strategic alignment, risk, environmental impact, etc.).

Criterion	Weight	Alternative 1	Alternative 2	Alternative 3
Example: ROI	40%	Score	Score	Score
Example: Strategic Fit	30%	Score	Score	Score
Example: Risk	30%	Score	Score	Score

## 4. Financial Analysis Summary

	Alternative 1	Alternative 2	Alternative 3
Initial Investment	\$	\$	\$
NPV	\$	\$	\$

IRR	%	%	%
Payback Period	Years	Years	Years

## 5. Recommendation

Summarize the recommended alternative and key reasons for the recommendation.

## 6. Important Notes

- Ensure all feasible alternatives are identified and objectively evaluated.
- Financial metrics should be complemented by qualitative criteria.
- Clearly document assumptions, limitations, and uncertainties.
- Update the analysis as new information or changes occur.
- Keep all supporting calculations and data transparent and accessible.