

Cost-effectiveness analysis of processes



Client Facts <u>Chemical & petrochemical industry</u> Period 2017 Project Country Brazil UF RJ

For this project, GEOKLOCK assessed the impacts associated with frequent flooding events on the operations of an industrial site in the state of Rio de Janeiro. The client decided they could not wait for a solution to be implemented by the state, and that investment was required in order to prevent further losses.

The decision-making process to invest usually consists of several steps. The process commonly involves the analysis of several options and issues, especially in terms of the economic feasibility of the investment.

GEOKLOCK conducted a cost-benefit analysis that addressed both technical and economic issues, assessing the investment while considering both existing and yet unplanned alternatives. This ensured the client could make a safe and confident decision. The project first established the amounts involved in each situation, including the actions proposed for discussion. With the financial data in hands, the effectiveness of each action was validated in terms of the reduction of financial losses.

This enabled the preparation of a cost-benefit (or cost-effectiveness) curve, which helped the client to select the best alternative to prioritize actions aligned with financial results, for the minimization of losses and damages.

The work methodology also included a participative approach, with workshops attended by the client's main departments involved in the decision-making process.

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