

Phase	Timescale	Features of the investment	Tangible nature	Features of evaluation and control
1	Preoperation	Fixed assets in the form of plant, equipment and associated installation costs	High  Low	Constitutes taking one investment in isolation. Traditional investment appraisal techniques used, which are cash flow oriented
2	Operating	Supporting working capital in the form of inventory		The investment now becomes an integral part of the business summary. It reverts to revenue accounts that measure profit to investment as the basis of control or assessment.
3	Operating	The service and support overheads necessary to provide an appropriate level of infrastructure		Control of individual investments now relatively loose – rarely have post-audits

**EXHIBIT 11.10** The three phases in an investment programme