

# [Internal analysis and swot analysis slp 03](https://assignbuster.com/internal-analysis-and-swot-analysis-slp-03/)

Step One: Economic Value Added is a tool used gain a clear understanding of the business and the level of business that they are presently. This alsohelps calculate more than the firm’s ability to earn more than the true cost of capital. In this method the concept of residual income is combined with the theory that all capital has costs and this simply means that this is a measure of the profits once the required rate of return on capital is got.   
The Economic Value Added is calculated as follows:   
EVA = (Net Operating Profits – Taxes) Net Operating Profits after Taxes – Cost of Capital   
Step Two:   
Tangible Resources   
Example: LOWEs Home Improvement   
Particulars   
Type   
Source   
Sample Data   
1   
2   
Physical Resources   
Land Building   
Balance Sheet   
Annual Report   
1. http://stores. lowes. com/lowes/cgi/index? design= default〈= en&mapid= US&svv= true&fname=&snum=&sname=&ci= 0&zip=&zipid=   
2. http://www. bharatbook. com/Market-Research-Reports/Premium-Company-Profile-Lowes-Companies-Inc. html   
Financial Resources   
Papers, Bonds, Investments   
Balance Sheet   
Annual Report   
1. http://www. bharatbook. com/Market-Research-Reports/Premium-Company-Profile-Lowes-Companies-Inc. html   
2. http://www. investorguide. com/stock-analysis. cgi? ticker= LOW   
Human Resources   
Total Number of employees   
Organizational Chart   
Website   
https://careers. lowes. com/training. aspx   
Step Three:   
Particulars   
Source   
Sample Data   
1   
2   
Architecture   
Website   
Suppliers Portal   
http://www. lowes. com/lowes2/AboutLowes/suppliers/supplier\_requirements. html   
Reputation   
Rating Agencies   
Customer surveys and feedback   
http://www. resellerratings. com/store/Lowe\_s   
Innovation   
Marketing techniques, blogs and advertising   
Customer surveys and feedback   
http://zachheller. com/2009/07/06/home-depot-vs-lowes-where-is-the-difference/   
Step Four:   
The following sources have been used for this paper:   
Step 1: The information to Step one was taken from Wiley. The chapter provides a clear explanation of the EVA and the EVA Resolution. The chapter provides the basics of the topic and is simple to read and understand. The chapter also provides a clear understanding and provides a seep insight into the topic.   
The references for the Steps 2 and 3 have been taken from the website of LOWE Home Improvements. The website is one of the most reliable sources of information for the company and to gain the all financial figures. Also a research that was conducted by one in January 2008 has also been used as it provides a deep analysis of the company and also provides all essential information and details about the company.   
The benefits of using these references are that they provide reliable and accurate information along with being recent. The references are also easily accessible and the details provided are easy to understand and are apt as they are focused for the investors.   
References   
Bharatbooks, 2008, ‘ Premium Company Profile: Lowes Companies, Inc.’, Accessed on 29th November 2009, Retrieved from http://www. bharatbook. com/Market-Research-Reports/Premium-Company-Profile-Lowes-Companies-Inc. html   
Heller, Z., 2009, ‘ Home Depot vs. Lowe’s: Where is the Difference?’, 6th July 2009, Accessed on 29th November 2009, Retrieved from http://zachheller. com/2009/07/06/home-depot-vs-lowes-where-is-the-difference/   
Wiley, 2003, ‘ The EVA Revolution’, 5th March 2003, Accessed on 28th November 2009, Retrieved from http://media. wiley. com/product\_data/excerpt/34/04712348/0471234834. pdf