

# [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