

Internal analysis and swot analysis slp 03



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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 also helps 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:

$$\text{EVA} = (\text{Net Operating Profits} - \text{Taxes}) \text{ Net Operating Profits after Taxes} - \text{Cost of Capital}$$

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=](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>

<https://assignbuster.com/internal-analysis-and-swot-analysis-slp-03/>

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

<https://assignbuster.com/internal-analysis-and-swot-analysis-slp-03/>

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 deep 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>.
<https://assignbuster.com/internal-analysis-and-swot-analysis-slp-03/>

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