

**business**  
for sale



Date: **3rd July 2024**

Business Reference: **34731**

About the Business:

## **Exciting Fashion Group expanding into Cape Town and the Western Cape.**

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Grow with this well-established, sophisticated fashion and shoe retailer who are seeking franchisees in Cape Town and the Western Cape.

# Exciting Fashion Group expanding into Cape Town and the Western Cape.



Sector: **Retail**

Asking Price:

**R 1,050,000**

Monthly Profit:

**R 46,710**

Asset Value:

**R 600,000**

Stock Value:

**R 800,000**

Yearly Net Profit :

**R 560,520**



# Business Report

## Fully describe the business's activities?

Expanding into the Western Cape. Sophisticated Fashion Clothing and Shoe Retailer. The group has been trading for 35 years and is now in the process of franchising some of their stores. This is an excellent clothing retail store opportunity with a group which has an excellent trading record and is well-established. With being part of a franchise you can be in business for yourself but not by yourself. This will give an owner the opportunity to tap into the vast knowledge of the Head Office with its expertise in buying and logistics from foreign markets as well as its significant buying power.

## Fully describe the business's activities?

Expanding into the Western Cape. New Turnkey Stores - Sophisticated Fashion Clothing and Shoe Retailer. The group has been trading for 35 years and is now in the process of franchising to share their success. This is an excellent clothing and shoe retail store opportunity with a group which has an excellent trading record and is well-established. With being part of a franchise you can be in business for yourself but not by yourself. This will give an owner the opportunity to tap into the vast knowledge of the Head Office with its expertise in buying and logistics within foreign markets as well as its significant buying power.

## How does the business operate on a daily basis?

The stores are usually manager run. The owner will be involved significantly as a franchisee to help promote growth.

## What Advertising/Marketing is carried out?

Head Office has a strong marketing team which works with franchisees in promoting the brand and also specifically the individual stores. The business has an extensive database which becomes store-specific. There is a strong presence and they are very active on social media. The store works closely with the marketing teams of the shopping centres. Influencers on social media are also used. There is also a loyalty programme and Google is also used for advertising.

## What competition exists?

Normal competition in malls but this group has exclusivity of certain brands. 80% of merchandise is imported from Italy/Europe with some manufacturing in China.

## Do any have management potential?

Although initially it is expected that the franchisee will be involved more fully, Head Office will assist with training of staff including a manager.

## When does the current lease end?

The Group has excellent relations with the larger mall and shopping centre owners in South Africa and will assist with negotiations and site selection.

## What are the trading hours?

This will be centre dependent and will be a minimum of normal retail hours.

## What are the main assets of the business?

Point of Sale Computer Equipment and Shop Fittings and Fixtures of about R600 000. This is included in the asking price of R1.85 million and will be a turnkey project.

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## Strengths?

Well-established group. Excellent, knowledge of the industry. Excellent reputation in the market. Experience of Head Office in purchasing the correct stock for each season. Strong Head Office relationship with suppliers - both local and overseas. Sophisticated fashion targeting up-and-coming women in the area.

## Weaknesses?

None really, except normal economic conditions which all businesses are susceptible to. However, due to the long-standing history of this group they are always well-prepared.

## Opportunities?

Opportunity to grow with the group. Targeting slightly younger and up-and-coming ladies with sophisticated fashion choices. More stores for you as a franchisee as this one becomes successful.

## Threats?

None, other than normal economic conditions which have been well-navigated over the years by this business.

## What is the reason for the sale?

The group is expanding via franchising to grow and manage the business whilst working with like-minded entrepreneurs.