



BUSINESS REPORT

Date: **3rd July 2024**

Business Reference: **34822**

About the Business:

Aldes Business Brokerage for sale

Aldes Agency for sale

Aldes Business Brokerage for sale



Sector: **New Franchise Opportunities**

Asking Price:

R **230,000**

Monthly Profit:

R **83,560**

Asset Value:

R 0

Stock Value:

R 0

Yearly Net Profit :

R **1,002,716**



Business Report

How does the business operate on a daily basis?

As an Aldes Agency our daily tasks consist of meetings with business owners, analyzing and reporting on financial statements, conducting valuations of businesses, discretely marketing businesses for sale, guiding and advising both sellers and buyers on the process of buying / selling a business.

What Advertising/Marketing is carried out?

Brokers rely on, and cultivate, wide professional networks.
Pamphlets and leaflets.
Website.
Local newspaper adverts
Some area specific advertising on radio.

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What competition exists?

There are many competitors in the market although there is little competitor activity noted in the Ballito area at present.

How could the profitability of the business be improved?

A structured marketing plan for the first 6 to 12 months.
Utilizing established networks.
Offering service to existing customers.

Give a breakdown of the income and expenses

Monthly expenses are low because the broker typically works from home.

Income is totally dependent on the efforts of the individual.

Many brokers expect to make in excess of R 1 million p/a in commissions once they are established.

What are the monthly costs?

Basic expenses are as follow:

- Monthly management fee of R2 000 (plus VAT)
- Advertising and marketing
- Cell phone and data lines
- Petrol and travelling expenses
- Printing and stationary

The operating model for an Aldes Agency is based on low overhead expenses.

How involved is the Owner in running the business?

This Aldes Agency is personal to the individual applying.

While you are allowed to structure your Agency as a separate entity, Aldes does not allow or approve "investor" applications.

The owner of the agency must be 100% committed and involved in the daily operations of the agency.

What type of office equipment is required?

The following short list as a guide:

- Proper data lines and internet connection
- Laptop or desktop
- Printer & Scanner
- Desk & Chair
- Office stationary

Do I need staff to operate this Aldes Agency?

This is not a requirement.

This agency has operated as a dual brokerage whereby each broker has done all the work themselves with input from each other, as and when requested.

Is it a requirement to set up an office?

You are not required to rent office space.

Most of daily interactions with clients are at the clients' place of business or coffee shops.

A professional looking study, shared or remote office where one can meet with clients undisturbed is sufficient.

Strengths?

Aldes Business Brokers is the leading business brokerage in Africa

Support and assistance from Aldes Head Office

Intense and practical initial training provided

Exceptional online systems and application

Established name in the market (over 42 years)

Low monthly expenses

Aldes Head Office shares both benefit and risk with each Agency

Weaknesses?

Access to funding for transactions can be tricky

Aldes' training and networks can help alleviate this concern.

Opportunities?

The Aldes Agency presents a real opportunity to financial planners with a client base of business owners and / or high net worth clients. The Aldes Agency dovetails very well with the activities of a typical FSP practice

Some of our most successful brokers stem from a background in the financial services industry.

Many have also come from a successful corporate background, and several are also past owners of SMME's themselves.

Threats?

The sales cycle is fairly lengthy - a new buyer should cater for several months of limited cash flow while establishing themselves. Once a 'pipeline' is established, earning potential is effectively unlimited.

For example, this agency concluded a R29 700 000 deal in August 2020 (in the middle of the Covid pandemic) and the commission payout was made during March 2021.

What is the reason for the sale?

This agency is jointly owned by two individuals, one of whom lives in the upper highway area. An opportunity for this person to purchase a share in the upper highway agency has become available, hence the reason for him to sell.

The other partner is available to stay on as a Broker in order to provide continuity and expertise for the new owner.