



BUSINESS REPORT

Date: **3rd May 2024**

Business Reference: **35209**

About the Business:

New National Franchised Vehicle Service Centre

With over 70 workshops countrywide, numerous awards won and favorable legislation changes this is a Franchise opportunity that ticks all the right boxes. They specialize in affordable service and repairs of all models of cars and bakkies and are fast becoming one of South Africa's leading car servicing groups.

New National Franchised Vehicle Service Centre



Sector: **New Franchise Opportunities**

Asking Price:

R **650,000**

Monthly Profit:

R **48,579**

Asset Value:

R 0

Stock Value:

R 0

Yearly Net Profit :

R **582,947**



Business Report

Description of the Business' Activities

Service and repair workshops - A reputable network of 70 workshops countrywide. They specialise in affordable service and repairs of all models of cars and bakkies and are fast becoming one of South Africa's leading car servicing groups. They offer best quality service through conveniently placed workshops throughout South Africa, at affordable prices. It is their vision to become the most recognised and respected brand in the car servicing industry.

Which Areas are Available

Looking for Franchisees across North West, Free State and Northern Cape

What are the Financial Projections for a Franchise

Different areas would yield different results based on size of market and ownership involvement, hands-on ownership is definitely preferred. The 5 Year projections from from revenues of R3,5m and Profit of R380k in year 1 to revenues of R5m and profits of R680k in year 5. Franchise's could definitely exceed these projections of owner drives the business.

What is the Staff Requirement?

A typical staff structure would consist of 1 x Manager, 1 x Receptionist, 1 x Qualified Mechanic, 1 x Assistant Mechanic, 1 x Cleaner and 5 regular use of flyer Guys at strategic points in the catchment area of the business

What are the trading hours?

Monday to Friday 07:00 to 17:00 and Saturdays to 13:00

What type of premises do a new franchisee require to operate the franchise?

Minimum space required is 280m² up to maximum of 800m² depending on the rent . Suitable venues offer sufficient off-road parking as well as prominent signage.

What are the main assets of the business?

For the regional introductory offer of R650k vs the standard R1,2m (excl VAT), you obtain a full turnkey operation, inclusive of a 5-star graded workshop, which is in line with RMI (Retail Motor Industry) standards. Included therein are the diagnostic machinery, tooling, IT, Lifts, furniture, branded gear, full management system & signage necessities. Full asset list will be provided.

Strengths?

A leader in the car service industry. They offer competitive prices and excellent service to all of their clients. They are a recognised and trusted brand. Their enthusiastic head office specialists provide the support, guidance and advice franchisees require to run a successful business without stifling their entrepreneurial spirit. Ongoing support and training are provided. Power of group purchasing deals. Business analysis reports are provided annually.

Weaknesses?

None Seen

Opportunities?

To build a loyal and growing clientele within your franchise area to become their preferred service centre. Grow your portfolio into many branches. The Franchisee can focus solely on their business while head offices take care of the rest in terms of e.g. front office staff training, national marketing campaigns, CRM management etc. Right to repair came into effect in 2021 which enabled aftermarket workshops such as this to service and repair vehicles which are still under warrantee. This in turn opened the market extensively for new business.

Threats?

None perceived other than the franchisee not running his/her business effectively and according to franchisor specifications.

What is the reason for the sale?

These are new franchise opportunities as the Brand is now expanding within North West, Northern Cape, Free State and Vaal Triangle areas. The Competition Commission has ruled that from 1 July 2021, Independent Service Providers will have access to the automotive aftermarket & will be permitted to service & repair vehicles which are still under warranty.

What Other Franchisees Say?

Franchisee 1: In 2005, having seen the success of the first two branches, I left a career in conceptual branding and marketing to become a franchisee. Even without technical knowledge or motor mechanics skills, and being a woman in a male-dominated industry, it's been a very fulfilling and successful venture. The reason for my success is the support, guidance and hands-on approach from head office. I've loved the opportunities and challenges that come with growing a business, and found changing people's lives to be very rewarding. I can honestly say that it's a fantastic franchise and well worth being associated with.

Franchisee 2: It has been an honour to be part of the this franchise group. Our branch is owner run and we feel that it's part of our success. As owners, we embrace the challenges and changes the industry undergoes because we know we're supported by head office. We're able to focus on the day-to-day running of the business and driving volumes while head office takes care of higher level issues. We feel part of a bigger picture and have peace of mind that head office is continually negotiating with suppliers and arranging bulk purchases that reduce our costs so savings can be passed on to our customers. The Brand is serious about compliance across the board, takes safety and wellbeing of employees and customers to heart, and we've never regretted the choice to become a franchisee

Ideal Buyer Profile

Franchisees should possess a successful business background with particular emphasis on interpersonal skills and business management. Most of the franchisees are not from the motor industry but all run successful branches, this includes Females and Male Franchisees