

business
for sale



Date: **5th July 2022**

Business Reference: **35230**

About the Business:

Commercial Air Conditioning Systems - Install & Service Durban

Durban Co of 32 years, with capable staff, as well as, 20 plus top clients and numerous ad hoc jobs pa. A NP of R512 000 pa off a R3.3m turnover. MA's will show variations in monthly turnover & expenses..

Commercial Air Conditioning Systems - Install & Service Durban



Sector: **Sales & Services**

Asking Price:

R 780,000

Monthly Profit:

R 42,689

Asset Value:

R 300,000

Stock Value:

R 0

Yearly Net Profit :

R 512,266



Business Report

Fully describe the business's activities?

Long established Durban Co, with capable staff, as well as, 20 plus top clients and numerous ad hoc jobs pa, producing a NP of R512 000 pa off a R3.3m turnover (which included a bad month of July 2021 riots). MA's will show monthly turnover variations.

Air conditioning systems ; maintain, service, carry out refurbishment projects & supply & install, for a variety of clients, including some top Shopping centre's, hotel groups, manufacturing companies, retail stores, privately owned high rise buildings, computer centre's etc. Some clients for over 30 years.

Calls come in from existing & new clients for problem analysis & solutions, which are investigated by the 2 Techie's, while the quote is completed by the Seller, as well as ordering of necessary components, whereafter the Techie's carry out the job, with clients paying within 30-45 days (many clients pay as a deposit about 70% of components/ parts required).

What Advertising/Marketing is carried out?

Nothing not even a website - so the opportunities to grow the business through a website, google search, & business development ARE HUGE !

They got to where they are today without such ! mainly word-of-mouth referrals

How involved is the Owner in running the business?

The owner mainly focusses on quotes, ordering of parts, & financials.

Staff are competent to operate alone - But - Owner will assist in training & as only retiring, could be asked to be an Ambassador or consultant to the Co when required.

Premises Detail

The business operates from the owners home, with a 15m² office being sufficient & the 20m² storage space (included in the expenses at R13 000 pa). Techie's take their vehicles home & pick up support staff en-route to jobs; collecting parts if required or parts are delivered to site.

What are the main assets of the business?

2 bakkies at some R200 000, as used by the Techie's, A laptop & various Tools of the Trade ie. Vacuum pump, portapak's etc. at some R100 000. All in working condition & valued on a 2nd hand sale basis.

Strengths?

Established name for 32 years
20 top clients with vendor numbers & preference, plus referrals & ad hocs
Many clients are willing to pay deposits on components/parts required
Very able staff, while the Owner is mainly administratively focused
Owner is retiring, so will be available to consult/ be an ambassador, if required

Weaknesses?

COVID lockdowns/levels resulted in turnover dropping due to client closures or reduced spend.
Feb Turnovers : 2020 R4.1m down to 2021 R2.7m,
BUT back now to 2022 R3.3m & improving.

Opportunities?

Conduct business development activities to grow the business, which has not been done for many years
Create a website & do Google Ad words - both never done to date
3 HUGE opportunities, based on a history of satisfied repeat Top Clients !!

Threats?

That other similar service companies approach this businesses main clients, but unlikely that with a smooth/quiet handover & the Seller still being available as an Ambassador or Consultant, that such would happen, as long as service levels are maintained

What is the reason for the sale?

The Owner needs to retire