

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

BUSINESS REPORT

Date: **3rd May 2024**

Business Reference: **35280**

About the Business:

Popular Hair salon Upper Highway URGENT SALE prior to busy December

Stylist with trained staff for cutting, tinting and general hair management for female client base

Popular Hair salon Upper Highway URGENT SALE prior to busy December



Sector: Sales & Services

Asking Price:

R 1,500,000

Monthly Profit:

R 53,017

Asset Value:

R 0

Stock Value:

R 50,000

Yearly Net Profit :

R 636,201



Business Report

Fully describe the business's activities?

Shop opens at 0845 hrs. and staff start their client treatments as soon as hair has been washed and prepared. Clients normally make appointments, but there are some "walk in" clients who are passing through the Mall.

How does the business operate on a daily basis?

Shop is the only one in the Mall and attracts new clients on a regular basis. Clients are attended to by qualified staff and most of the clients return for treatments on regular monthly appointments. Shop is open 7 days a week and stays open until the last client leaves (normally at 1630 hrs.)

What Advertising/Marketing is carried out?

Social media platforms There is a website "the hair movement sa. com"

What competition exists?

There are many other hair dressing salons in the neighbouring suburbs, but this is the only one in the busy Mall.

How could the profitability of the business be improved?

There is an opportunity to expand the premises as the shop next door has become vacant. The expansion however is costly and will require a larger staff complement.

Give a breakdown of staff/ functions/ length of service?

4 x assistants, 3 x stylist and 1 x receptionist The owner is involved in both a management function and also operational with her long standing client base.

Do any have management potential?

Yes

How involved is the Owner in running the business?

The owner is very "hands on" and has her own client base. Seldom takes leave.

When does the current lease end?

There is a 3 year lease with a 2 year option. The lease expires later this year.

What are the trading hours?

0900 hrs. until 1600 hrs. or later.

What are the main assets of the business?

Hair styling equipment such as wash basins, dryers, chairs, reception area, cabinets for stock. mirrors and attractive design photos.

Strengths?

Attractive and very visible premises. Only stylist salon in a very busy Mall. Sound regular client base. good signage.

Weaknesses?

Only weakness might be the small operational area.

Opportunities?

Take over the vacant shop next door and expand the operational and staff compliment. More clients will be attracted to the corner premises

Threats?

Another riot situation is a threat as the July riots of 2021 destroyed all assets of the business.

What is the reason for the sale?

The owner has received an offer to go to another country in Africa. She is getting married shortly and will accompany her husband to this country, where she will develop a new salon.