



# BUSINESS REPORT

Date: **4th May 2024**

Business Reference: **35214**

About the Business:

## Carpentry factory with a wide range of product lines

---

Precision carpentry factory in the Lowveld It has a wide range of standard product line , but can do any customise projects The CNC routers and specialised paint booth offer unique opportunities It is the preferred supplier of a product range of 2 national clients

# Carpentry factory with a wide range of product lines



Sector: **Manufacturing**

Asking Price:

R **2,900,000**

Monthly Profit:

R **48,561**

Asset Value:

R **2,317,232**

Stock Value:

R **300,000**

Yearly Net Profit :

R **582,733**



# Business Report

## Fully describe the business's activities?

The business can be described as a precision carpentry business / factory

The business manufacture and supply the following.

- \* Bathroom vanities and medicine cabinets to retailers and private individuals.
- \* Kitchens . These we also install.
- \* Solid surface tops and products. Fabricated and installed.
- \* Casino furnishing .
- \* TV units.
- \* Shelf units.
- \* Office furniture.
- \* Built in cupboards.
- \* Bedroom furniture.
- \* Baby furniture.
- \* Perspex and Polycarbonate products.
- \* Engraved gift boxes and small products.
- \* Various other cabinetry to customer requirements
- \* Engraving of door panels ( by CNC router )
- \* CNC design and cutting of wooden parts to customer requirements.
- \* Repair of hotel , casino and private furniture.

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

The business operates on a quotation and order basis

90% of the manufacturing is standard range

10% of the work is special / custom designs / redesigns to suit requirements

Wooden products is sold in the forms of :

- \* Bathroom furniture for the builders market sold to importers/ retailers / private builders
- \* General Cabinetry for Home and Office
- \* Casino Furnishings to two large casino groups.
- \* Solid Surface Tops to other woodworking companies ,builders or end users.
- \* TV Units to retailers or end users
- \* Office Furniture to end users.

Other unique features :

- \* Two computer controlled CNC router machines
- \* Spray painting booths for high quality spray painting.
- \* Good extraction system.

## What Advertising/Marketing is carried out?

Very little advertising or marketing is being done .

This will be the first factor a new owner should consider

## What competition exists?

There will always be competition

There is cheaper , but inferior imports for the East - especially on the bathroom furniture .

Higher import costs and global disruptions act as a benefit in this regard

## How could the profitability of the business be improved?

The business need a new , younger owner who can :

- \* Increase sales ( marketing / networking within the building industry and retail market. )
- \* Increase sales to private individuals ( home and business owners )
- \* Increase the geographical footprint
- \* Follow-up with all existing clients
- \* Establish a digital marketing footprint
- \* New products lines

The business is already very efficient - the output must be increased

## Do any have management potential?

No , the workers although skilled in their jobs , do not have management potential.

## How involved is the Owner in running the business?

The Owner is 100% involved in the business

- \* Selling / Quoting.
- \* Designing and costing
- \* Issuing of work instructions and documentation.
- \* Planning and priority setting
- \* Buying and negotiations
- \* Financial and stock control
- \* Training of staff
- \* General Management functions

## Will the seller be available for a hand-over ?

The seller will be available for a handover period of 3 months

Beyond this period he will available on a consultation basis

Training will be needed for :

- \* CNC Router designing/ programming.
- \* Costing and quoting systems
- \* Introduction to key suppliers and clients
- \* Training on machines and specials tools
- \* Training in current design and work protocols
- \* Training on stock system and database

## When does the current lease end?

The family of the Seller are the owners of the property  
The property is registered in a different CC and is not included in the sale - but available separately

## What are the trading hours?

Monday to Tuesdays 7h00 to 16h30  
Fridays from 7h00 to 14h00  
Tea break 10.00 to 10.30 Monday to Friday  
Lunch Break 13.00 to 13.30 Monday to Thursday.

## What are the main assets of the business?

A very wide range of tools and machinery associated with a precision carpentry factory .  
Small reliably ,& competent team of workers.  
Designs, systems and good cliental .  
Reputation for quality products and service.

\* A detailed asset list will be available for serious buyers

## Strengths?

The business is very well established with a wide range of quality machinery  
The staff is experienced  
The business is known for it's quality products for the general , and niche markets  
The business has the flexibility to adapt to the market

## Weaknesses?

Little marketing / no sales Rep / no digital footprint

## Opportunities?

The business is not limited to the current lines and markets  
Marketing towards a national market offer opportunities.

Owing to current weak marketing , there is vast opportunity to expand and improve sales.

## Threats?

There are cheaper imports on certain lines

## Threats?

There are cheaper imports on certain lines

## What is the reason for the sale?

Owner is now 71 years of age and wishes to retire.