



BUSINESS REPORT

Date: **3rd May 2024**

Business Reference: **35007**

About the Business:

Motor vehicle licensing service company, includes property.

Motor vehicle licensing service company with strong market position and national footprint. Contracts with mining sector in place.

Motor vehicle licensing service company, includes property.



Sector: **Services**

Asking Price:

R **6,000,000**

Monthly Profit:

R **200,296**

Asset Value:

R 355,936

Stock Value:

R 0

Yearly Net Profit :

R 2,403,552



Business Report

Fully describe the business's activities?

The business was established in 2004. The purpose of the business is to eliminate standing in vehicle licensing queues by providing clients with a convenient and time-saving service. The philosophy of the business is to make sure clients are always happy by providing quick, efficient and cost-effective services. The business targets both the corporate and the individual market - anybody that requires licensed documents. The business has a footprint across the country with physical walk-in centres in Gauteng, Kwazulu Natal and Western Cape. The business owns the premises of the Gauteng office and can be acquired for the value of R2,2 million. The building is included in the advertised price of R8 350 000-00.

Services offered -

Registration of motor vehicle; Deregistration of motor vehicles; Change of address; Change of titleholder; Notice of change of ownership (NCO); Trust/Non-Profit Organisation registration (TRN); Company registration (BRN); Collection of drivers license cards; Registration number certificates and related services; Number plates both normal and personalised (own machine on premises and SABS approved).

;Re-registration of stolen and recovered vehicles.

How does the business operate on a daily basis?

The business has its own in-house operating system that enables automation and work flows to all staff members - all staff members can see at what stage the process is and provide feedback to clients. New business is obtained via the online platform or walk-ins. The business is input into the ticketing system. Consultants are allocated new clients and obtain all relevant documentation and payments. Runners (staff members that queue at the licensing offices) are allocated and responsible for picking up relevant documents. Deliveries/ pick-ups are arranged to clients once the process has been concluded and the relevant documentation have been picked up.

The business has a large focus on corporate clients including contracts with mining houses and servicing large blue chip companies.

What Advertising/Marketing is carried out?

Minimal advertising. Website

What competition exists?

No significant competitors in the corporate market, rather a number of small competitors focused on the individual market.

How could the profitability of the business be improved?

Increase the focus on Corporate clients.

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

To be provided.

Do any have management potential?

Yes there are, a number of the staff members have been employed for a long period of time.

How involved is the Owner in running the business?

The owner is involved on a daily basis, however the owner monitors the business remotely.

When does the current lease end?

The Gauteng office is owned by the company. The location attracts a large amount of passer by trade and walk-ins.

The Gauteng office at a value of R2 200 000-00 is included in the advertised price of R8 350 000-00.

Branches:

Centurion

Valhala

Durban

Cape Town

Krugersdorp

What are the trading hours?

Mon to Fri, 8am to 5pm

Sat 9am to 12pm

What are the main assets of the business?

Property in Rooihuiskraal, Centurion Gauteng.

Vehicles and office equipment.

Full asset list will be available to qualified buyers.

Strengths?

- This is a well established business with strong operating processes and experienced staff members. The business is managed on a operating platform that can be accessed remotely. Audit processes have been put in place to ensure the standards and quality of services are high.
- 5 year contracts with blue chip clients.

Weaknesses?

- The owner is very involved in the business and manages the cash flow of the business very tightly.
- Future owners will need to consider processes to continue managing strong cash flow for the business.

Opportunities?

- Expanding the Corporate client base by considering more focus on new business development.
- Increased marketing and digital presence.
- Increased physical footprint in additional provinces.

Threats?

- Barrier to enter this market is quite low.
- A potential competitor could enter this market fairly easy.

What is the reason for the sale?

Owner is looking to immigrate.
Seller willing to work a handover period up to 6 months if needed.