

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a blurred urban scene with buildings and a blue trash bin.

# BUSINESS REPORT

Date: **3rd July 2024**

Business Reference: **35917**

About the Business:

## **Well respected event and promotional solutions company looking for a new BBBEE Buyer**

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The demand for events and promotional activities is increasing in South Africa, driven by the country's need to grow economy, expanding middle class, and increasing consumer spending. This means there is a large and growing market for event management and promotional services. South Africa is a diverse country with a variety of cultural groups, industries, and interests. This means there are many

opportunities to specialize and target specific markets, from corporate events to music festivals to trade shows. South Africa has some of the best event venues, exhibition centers, and conference facilities on the African continent. These facilities are equipped with state-of-the-art technology, making it easier to plan and execute large-scale events. The country has a large pool of talented event planners, marketers, and promotional experts who can deliver high-quality services to clients.

## Well respected event and promotional solutions company looking for a new BBBEE Buyer



Sector: **Sales & Services**

Asking Price:

**R 3,900,000**

Monthly Profit:

**R 162,524**

Asset Value:

**R 2,062,063**

Stock Value:

**R 0**

Yearly Net Profit :

**R 1,950,284**



# Business Report

## Fully describe the business's activities?

This business is an event management and branding company. Since inception they have been creating stylish, cost effective events for several Fortune 500 companies. The owners are very passionate when it comes to conferences and special events!

The event management and promotional industry in South Africa is a growing and dynamic sector that contributes significantly to the country's economy. The industry includes a range of services, from planning and organizing events such as conferences, exhibitions, festivals, corporate events, and weddings, to marketing and promoting brands and products through various channels.

One of the key factors driving the growth of the industry is the increasing demand for events and promotional activities as a means of creating brand awareness, building customer relationships, and boosting sales. South Africa has a vibrant and diverse population, and there is a growing demand for events and promotions that cater to different interests and cultural groups.

Another factor contributing to the growth of the industry is the country's infrastructure and facilities, which are world-class and capable of hosting large-scale events. South Africa has a number of top-notch conference centers, exhibition halls, and event venues that can accommodate events of all sizes and types.

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

Through clients placing orders for merchandise and requesting event and conference management. The business specializes in:

- Conferences & special events.
- Venue styling.
- AV, sound staging, and lighting.
- Promotional gifting and brand activation.

The business owns its own event gear, draping and decor outright and it is fully paid up.

## What Advertising/Marketing is carried out?

Direct calls and social media.

## What competition exists?

Not many similar companies fully own their event gear, draping and decor. Although there are quite a number of competitors providing similar services, having their own fully paid up equipment allows this business freedom in budgeting.

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

1. BBBEE; The number 1 opportunity to increase the profitability of this business is to improve its BBBEE status to a level 1.
2. Focus on customer service: Provide exceptional customer service to build trust and loyalty with your clients. This can help you secure repeat business and generate positive word-of-mouth referrals.
3. Offer a diverse range of services: Diversify your service offerings to cater to different market segments and expand your revenue streams. This can include event planning, marketing, branding, and digital services.
4. Develop partnerships: Build strategic partnerships with other businesses and organizations to expand your reach and leverage their expertise and resources.
5. Invest in your team: Invest in the training and development of your employees to enhance their skills and knowledge, and improve your overall service offerings.

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

Some with up 12 years service, most between 3 to 5 years, wide ranging between day workers, stage hands, setup crew, sound engineers, lighting assistants, AV setup and control, and draping.

## Do any have management potential?

Yes, one of the freelancers could be appointed as a business manager.

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

This is a relationship business and as a result the owners are involved as much as possible.

## When does the current lease end?

This is a work from home business. All event gear, draping and decor are stored in an container.

## What are the trading hours?

AS necessary for successful production.

## What are the main assets of the business?

The main assets of the business are event technical gear/equipment, decor and draping, a company vehicle. A complete asset list is available on file.

## Strengths?

1. Registered vendors with several multinational and national clients.
2. Full in-house gear, decor and draping. New owner can start immediately on any production or function for multiple smaller functions up to 1000 guest.
3. Support systems of all their freelance crew, productions.
4. Support systems with freelance designers on branding.
5. Relationships with other event companies for larger events or additional gear rentals at below industry rates.
6. Solid relationships built with suppliers in both event and promotional resellers industries.
7. This company has built an extremely strong reputation and track record in the event management and promotional industry in South Africa.

Overall, the event management and promotional industry in South Africa has several strengths that make it an attractive and viable business sector, with a skilled workforce, diverse market, world-class facilities and a growing market.

## Weaknesses?

Due to the owners decision to move abroad, their focus on sales and marketing has slowed down over the last few months.

## Opportunities?

1. Corporate events: South Africa has a large and growing corporate sector, which presents numerous opportunities to plan and organize corporate events such as product launches, trade shows, and conferences.
2. Music and cultural events: The country has a rich cultural heritage and a thriving music scene, which creates opportunities to plan and execute music festivals, cultural events, and other entertainment activities.
3. Sports events: South Africa has a passionate sports culture, with a strong focus on soccer, rugby, cricket, and other popular sports. This presents opportunities to plan and organize sports events such as tournaments and matches.
4. Promotional campaigns: With the growing demand for products and services, there are many opportunities to create and execute promotional campaigns for businesses, ranging from advertising and public relations to experiential marketing and brand activations.
5. Destination management: South Africa is a popular tourist destination, with numerous attractions and activities for visitors. This creates opportunities to provide destination management services, including planning and organizing tours, transportation, accommodation, and activities for tourists.
6. Digital events: With the increasing use of technology, there are opportunities to plan and execute digital events such as webinars, virtual conferences, and online product launches.
6. Favourable exchange rate: With the current exchange rate, South Africa has become a popular destination for International companies to host their conferences and events.

Overall, the event management and promotional industry in South Africa offers a diverse range of opportunities for businesses and entrepreneurs, from planning and organizing events to creating and executing promotional campaigns.

## Threats?

The number 1 threat for this business is that it does not have a level 1 BBBEE status. For the right entrepreneur, this is an immediate opportunity.

Another Covid-19 pandemic: The Covid-19 pandemic has had a significant impact on the event management and promotional industry in South Africa, resulting in cancellations, postponements, and reduced demand for services. The pandemic has also forced businesses to adapt to new safety protocols and digital events.

## What is the reason for the sale?

The current owners are at retirement and planning to emigrate in the very near future. The business needs a level 1 BBBEE status to take it to the next level.