



Date: **21st November 2024**
Business Reference: **35964**

About the Business:

Voice, Hosting, Internet, H/S-ware

Provider (re-seller) of VOIP, Hosting, Internet, H&S-ware services - DURBAN. Opportunities exist in office automation services. Owner only, no staff, 60 businesses & 4 homes of which 42 provide recurring income to the tune of 66% of gross income. The turnover is approx R1.46m pa, with a GP of 51% & a NP of R656 000 pa (minimal expenses as operated from home & could be easily absorbed into a similar business).

Voice, Hosting, Internet, H/S-ware



Sector: **Services**

Asking Price:

R 1,450,000

Monthly Profit:

R 54,666

Asset Value:

R 0

Stock Value:

R 0

Yearly Net Profit :

R 655,995



Business Report

Fully describe the business's activities?

The business is a re-seller of Internet, VoIP, & Hosting services, as well as, providing further IT Support services.

It is owner operated, with no staff.

It has grown over the last 4 years to 64 clients (60 businesses & 4 homes; with 50 being regular) of which 42 provide recurring income (monthly subscription services of voice/data etc) to the tune of 66% of gross income. The annual turnover is approx R1.46m, achieving a GP of 51% & a NP of R656 000 pa (minimal expenses as operated from home & could be easily absorbed into a similar business).

The breakdown in Income is : Internet 50% , voip 40%, IT support 10%

Some 50% of the clients are outside KZN – with most Jhb, then CT then along the coast to Dbn - all forming part of the R1.46m turnover (largest KZN – R160k, R120k, R90k, rest some R10 to R40k ?).

How does the business operate on a daily basis?

The existing clients who are already consuming VOIP, Data, & Internet services, may call in with queries/problems, or enquire on further H & S-ware services. The owner spends little time out at clients premises, with most work completed remotely & hardware delivered by dhl for plug-in.

New clients are assessed in respect of their needs, then provided with a quote, whereafter a 6 month contract is entered into (after which it becomes month-to-month), whereafter the soft & hardware is obtained from his service providers, before instillation (whether onsite or dhl delivery & remote activation).

National Service Provider, with the ability to go international with cloud server hosting, ie host servers overseas.

The bigger clients have routers that can be accessed for information on speed, use etc, by the Seller, but the smaller businesses have cheaper routers that the Seller cannot access.

What competition exists?

There is a lot of competition out there, however, as long as they are serviced reasonably well, existing clients will not just leave for a small Rand saving, due to the headache's in making a change.

What are the seasonal trends?

The earnings are relatively stable due to the 66% recurring income. The owners' MA's will indicate monthly variances.

How involved is the Owner in running the business?

The owner is the only person operating/managing the business, which is sufficient for the existing client base, with time to spare, as 90% of work is remote and any rising issues are fairly easily dealt with.

What are the main assets of the business?

The business phone number, email address, website, client files etc

Strengths?

It has grown over the last 4 years to an established 64 clients (60 businesses & 4 homes) of which 42 provide recurring income (continual buy-in of voice/data etc) to the tune of 66% of gross income.

Established reseller for certain service providers

National Service Provider, with the ability to go international with cloud server hosting, ie host servers overseas.

Weaknesses?

Owner only - limits it's growth potential

Opportunities?

Take on more staff & grow the client base

Provide further hard & soft-ware services

Provide office automation products & services

Threats?

That a competitor steals the client base, however, this is not likely as there is probably more pain in a move than any cost/service upside and it is not easy to approach & successfully convert clients as it may be perceived.

What is the reason for the sale?

Seller wishes to explore his real (motor related) interests vs his IT present career.

Why is this a good business?

The sale price is competitive at R1.45m, based on it's present 64 clients, producing an annual turnover of approx R1.46m, achieving a GP of 51% & a NP of R656 000 pa.

This is therefore, a perfect base for a budding IT entrepreneur to grow (with no staff, minimal costs & opportunity to work from home - with it's time & expense savings), while an easy assimilation into a similar IT business, with many of this Co's expenses falling away.