



BUSINESS REPORT

Date: **9th May 2024**

Business Reference: **35544**

About the Business:

URGENT SALE: Popular vehicle service franchise

This business is located in the North West of Jhb and repairs and services all vehicles. People book in their vehicle or just arrive as a walk in client

URGENT SALE: Popular vehicle service franchise



Sector: **Services**

Asking Price:

R **1,585,000**

Monthly Profit:

R **99,029**

Asset Value:

R 60,000

Stock Value:

R 15,000

Yearly Net Profit :

R 1,188,353



Business Report

Fully describe the business's activities?

This franchised business forms part of one of South Africa's leading car servicing groups. Situated in the North Western Suburbs of Johannesburg in an excellent location just off a very busy road and surrounded by complimenting businesses, office parks and office buildings. The business services and repairs all kinds of cars and bakkies. There are 2 lifts and 12 cars can be accommodated on the premises.

How does the business operate on a daily basis?

Clients will phone in or stop at the premises for quotes, if accepted the vehicle is booked and normally returned within 48 hours.

What Advertising/Marketing is carried out?

Mostly Word of Mouth and flyers on a few occasions

What competition exists?

There are similar business in the area but their service and reputation is not good

How could the profitability of the business be improved?

The area has a number of large corporate office blocks. Approaching their HR and offering discounted rates and specials for staff members would grow the client base substantially

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

2 Technicians on the floor - responsible for the oversight of two assistant mechanics.
2 Assistant mechanics

Between them daily work responsibilities are divided equally. The average length of service is two years

Do any have management potential?

No

How involved is the Owner in running the business?

Business is owner managed and operated and this is preferred by the franchisor

When does the current lease end?

The lease ends April 2028

What are the trading hours?

Weekdays 7am to 5:30pm
Saturdays 8am to 1pm

What are the main assets of the business?

2 Poster lifts
Tools
Furniture
Computers

Strengths?

It is part of a very strong and well known brand
Low overheads.
Situated in a commercial area surrounded by complimentary businesses.
Included is about R250k genuine Ford parts

Weaknesses?

There are a number of opposition companies within a 3 km radius.
Load shedding has a small negative effect in that lifts cannot be utilised in this time.
Shop needs a refresh and an additional R400k would need to be spend to complete this

Opportunities?

Surrounding industrial area has numerous businesses with small to large fleets of vehicles. There are no franchised or recognised service centers in the area. There is currently have a number of small businesses from that area but cold calling and offering discounted rates to these companies will definitely increase the sales.

Follow the same approach and offer discounts to the many staff of the corporate office blocks in the area

Business has been approached by competition to assist with overflow work, but have to date, not engaged with them to finalise an agreement.

Threats?

The general state of the economy and peoples disposable income also impacts negatively on the amount of work clients authorise, although this trend seems to be changing for the positive.

Their closeness of other service centres. However, in as much as they offer the same service, they do not pose a threat. They offer more niche vehicle services like carbon cleaning and the other dedicated to their own fleet of vehicles whose primary market is vehicle breakdown recovery, with very little walk in business.

What is the reason for the sale?

Owner needs to focus on a different venture