

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

BUSINESS REPORT

Date: **8th May 2024**

Business Reference: **32421**

About the Business:

Manufacturer of indoor and outdoor furniture

Manufacturer of bespoke furniture products - selling to shopping malls

Manufacturer of indoor and outdoor furniture



Sector: **Manufacturing**

Asking Price:

R **4,900,000**

Monthly Profit:

R **132,369**

Asset Value:

R 300,000

Stock Value:

R 100,000

Yearly Net Profit :

R 1,588,432



Business Report

Fully describe the business's activities?

Family-owned business creating and manufacturing high-quality street furniture, specifically for shopping malls, corporate businesses, and universities.

Their products include litter bins, benches, smoking bins, planters, and other items.

All furniture is manufactured using premium materials to ensure durability, minimal maintenance, and long-lasting appeal.

Over the past 15 years, their factory has manufactured furniture for leading shopping malls across South Africa.

How does the business operate on a daily basis?

Requests for quotations received from customers.

On acceptance of the quote, the furniture is manufactured and delivered within 25 working days.

The factory manager takes care of all the work in the factory and two representatives contact customers on a regular basis. The owner manages all business activities from a separate office.

What Advertising/Marketing is carried out?

Sales Reps

Online Marketing

Word of Mouth

E-Mail Marketing

Face to Face appointments

What competition exists?

There are competitors in the market - offering other products

How could the profitability of the business be improved?

In house delivery service.

Own Factory.

Consolidating admin office with factory.

Better management of steel purchases.

A huge jump in profit is possible by purchasing new machines and by cutting out the outsourcing.

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

Admin - Receives calls and send request to sales reps.

Sales reps - help clients decide on product

Management - Current owner - helps with management between Sales reps and the factory after the order is placed.

Factory manager - Makes sure the workers manufacture the product on time and that the quality is perfect.

Sales reps arrange for final payment and delivery

Most of the staff has been with the business for 10 years or more.

How involved is the Owner in running the business?

The owner resides in Cape Town and is not directly involved in the daily operations of the business.

He spends about 3 hours (remotely - phone calls and emails) of his day attending to the business.

When does the current lease end?

End 2024

What are the trading hours?

Factory - Monday - Friday 06h30 - 15h30

Showroom and Office -Monday - Friday 08h00-16h00

What are the main assets of the business?

Bakkie

Various smaller machines

Welding Machines

Manufacturing Equipment

Online website

The Intellectual Property is vested in the drawings and designs of the various units manufactured by the business

Strengths?

Been in business for more than 12 years.
A very good name in this industry.
A big range of tried and tested products sold all over the country.
Excellent and loyal client base.
Very good service.
Excellent staff.
QUALITY PRODUCTS

Weaknesses?

Dependency on courier services.
Perhaps acquiring a factory building.

Opportunities?

Create own inhouse delivery system.
Various markets available.

Threats?

Owner's lack of focus on the core business.
Competition.

What is the reason for the sale?

Owner moved to Cape Town and rather wants to focus on other business interest - property development.