

business
for sale



Date: **3rd July 2024**

Business Reference: **36072**

About the Business:

20 years in Operation: Security and access control Systems

This Business, operated by a husband and wife team with their son focusing on admin remotely, has been going for well over 20 years.

20 years in Operation: Security and access control Systems



Sector: **Services**

Asking Price:

R 3,590,000

Monthly Profit:

R 143,439

Asset Value:

R 124,000

Stock Value:

R 10,000

Yearly Net Profit :

R 1,721,269



Business Report

Fully describe the business's activities?

This Business, operated by a small team does the Installation and Maintenance of Security Systems.
This is the SECTOR to be in.

They focus on:

CCTV

ALARM SYSTEM

GATE / GARAGE AUTOMATION

ACCESS CONTROL

ELECTRIC FENCING

How does the business operate on a daily basis?

The Business is uniquely set up whereby all incoming inquiries via email and telephone, are caught by the owner's son, not living in Cape Town.

Some of the requests can be quoted for without having been to the client which he then does.

Jobs are then logged and sent to a Job Schedule.

The owner then assigns these jobs either to himself to go and quote or to his technician.

The technician reports to the work-from-home premises every morning to receive his Job Schedule for the day as well the company vehicle.

Job cards are completed and discussed every morning before the technician and/or owner dispatches for the day.

Completed jobs are then given to Finance to Invoice.

How are the clients attracted to the business?

The Business has built a strong word-of-mouth client base over time.

Managing agents looking after properties and complexes are probably the main income and client base of the business.

Second largest client base will be Developers and companies that uses Electrosec as a Sub-contract for their clients.

This also is repeat business.

Existing Individual clients also provide repeat business.

New Individual clients are continually added to the client base.

What Advertising/Marketing is carried out?

Word of mouth, sign boards installed at complexes and the visibility of the Vehicle Signage

Does the business have any contract work?

No contract work exists but as installations are done, those premises become clients. They call out to the company if something goes wrong. So without actual SLAs or Contracts, the business does have repeat work happening. Many managing agents keep on dealing with them because of the service and relationship.

What competition exists?

A lot of small businesses exist. Giving good service and having built on historical service levels, the business has built reliable clients.

What percentage of the business is cash/credit?

Private clients pay on receipt of the invoice. A 50 % deposit system exists to cover material. Body corporates payments vary from "Payment upon receipt of invoice" to "30days after receipt of invoice", depending on Payment Runs. 50% Deposit is also applicable to Body Corporates for Jobs over R20 000

How could the profitability of the business be improved?

The website has not been functional and can be upgraded. Marketing can happen and having someone call on Managing Agents and Body Corporates can also grow the business.

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

The Owner: He is the main technician. The focus is on electronics and Courses can be taken, should a Buyer want to get the qualifications on the electronics.
The owner's main role is to meet clients onsite, do quotes, deal with larger installations, and oversee the daily operations of the other technician.
The Owner's Wife: Works between 3-4 hours per day, from home, on her own time schedule. She is the Financial Manager, dealing with invoicing, salaries, debtors & creditors, payments, VAT submissions, and EMP201 returns.
The Owners son: He works remotely as Admin Manager: Deals with all incoming calls, liaising with clients over the phone, and emails, deciding with the Owner on who gets assigned to what jobs, orders stock, quotes. Also liaising with both technicians via WhatsApp, giving feedback to clients as the day progress
The Technician: He assists the owner and goes independently to call-outs, installs, etc. The owner would get involved with the coding and setup of the electronic side of installations.

Do any have management potential?

The Owner relies a lot on his son.
The relationship whereby the son deals with his tasks remotely has been working for over 4 years.
He wants to stay involved and would be very valuable.
He has excellent people skills and has built good working relationships with the clients

How involved is the Owner in running the business?

Daily

When does the current lease end?

This is a WORK from HOME Business.

What are the main assets of the business?

The client base is the biggest asset. Other Assets are:

2 x Chana 1.0 Mini Vans - 2006 models
1 x Mitshubishi Colt Clubcab - 2001 model
Tools

Strengths?

This sector is great to be in and is growing.
The business has a large historical client base that can be called on again.

Weaknesses?

The owners want to retire and does not have the energy to pursue growth avenues although their son has great ideas.
The website needs to be updated. They are making use of Pastel Accounting Package for the financial side.
However the rest of the Business operates with Excel spreadsheet (Job Schedule) and Word Documents (Quotes and Quote Register)
Whatsapp and Facebook Marketing can take place.

Opportunities?

See the weaknesses.

There is a lot of growth potential.

A new owner - dynamic and vibrant can grow on the existing client base and platform.

Threats?

More smaller competitors.

What is the reason for the sale?

Retirement