

business
for sale



Date: **3rd July 2024**

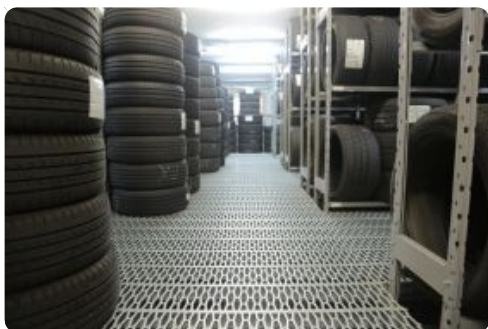
Business Reference: **36017**

About the Business:

Profitable Tyre Fitment & 24-Hr Fleet Support

Unlock a golden business opportunity with this thriving franchised tyre fitment centre equipped with a 24-hour breakdown support service, serving national fleet customers. Operating as a well-established and profitable going concern, this business offers a rare chance for immediate market entry and success. With a track record of excellence, a strong brand reputation, and a diverse portfolio of national fleet contracts, it provides a steady and reliable revenue stream. Don't miss this turnkey opportunity to secure your future in

Profitable Tyre Fitment & 24-Hr Fleet Support



Sector: **Services**

Asking Price:

R 9,500,000

Monthly Profit:

R 399,161

Asset Value:

R 1,345,200

Stock Value:

R 1,200,000

Yearly Net Profit :

R 4,789,934



Business Report

Fully describe the business's activities?

As a leading franchised tyre fitment center, this business specialises in providing comprehensive tyre-related services to national fleet customers. These services typically include:

- Tyre sales.
- Tyre fitment.
- Wheel alignment.
- Wheel balancing.
- Punctures repairs.
- Tyre rotation.
- 24/7 Breakdown support.
- Onsite technician.

They also offer the following additional services/products on the retail side of the business:

- Batteries.
- Mag wheels.
- Shocks.
- Disc brake pads.
- Exhausts.

This particular branch is an accredited 24/7 tyre breakdown service provider to Standard Bank Fleet Management, Wesbank Fleet Management and Leasing, ABSA Vehicle Management Solutions , NedFleet as well as a number of other national fleet customers. Therefore their core business focus more on the truck market (fleet) than the passenger, SUV and 4 x 4 market (retail).

This business prides itself on providing excellent customer service, including expert advice, recommendations, and assistance in selecting the right tires for specific vehicles and driving conditions. Their expertise and range of services make them a trusted destination for all tire-related needs.

How does the business operate on a daily basis?

On a daily basis, this tyre fitment centre operates as a customer-focused hub, offering a range of essential tyre-related services to national fleet and retail customers. The centre's skilled technicians meticulously handle tire fittings, alignments, and balancing with precision, ensuring vehicles leave with optimal safety and performance. Customer inquiries and consultations are met with expert advice, aiding in tyre selection for specific vehicles and driving conditions. Routine maintenance tasks such as tire inspections and pressure checks are performed diligently to extend tire life. Additionally, the fitment centre handles tyre repairs, wheel accessories, product sales and tyre related breakdowns on a national basis. Overall, it's a dynamic operation, driven by a commitment to providing high-quality tyre services and unmatched customer satisfaction.

What Advertising/Marketing is carried out?

All advertising and promotions is done via the franchiser using using their brand website, social media and radio advertising.

The fleet management divisions of all major banks are an additional marketing arm to this specific branch.

What competition exists?

Competition primarily arises from a range of local and regional tire fitment centers and franchise competitors,. These competitors offer varying levels of service, pricing, and convenience, creating a dynamic landscape where this franchise's brand reputation, quality, expertise, partnerships with the banks and national fleet customers and a customer-centric approach are essential differentiators for maintaining a strong market presence and customer loyalty.

How could the profitability of the business be improved?

The business is currently doing a revamp, once this is complete they will launch a marketing and advertising campaign to draw in retail/walk-in clients. The owner expects retail sales to increase from around an average of R200 000 per month to about R500 000 per month. The new owner could also tender for additional fleet business.

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

The staff breakdown is as follows:

- 1 x Manager.
- 1 x Administrator.
- 3 x Sales people.
- 1 x Assistant to sales and admin.
- 1 x Cleaner.
- 1 x HR.
- 2 x Breakdown technicians.
- 1 x Fitter.
- 1 x Wheel alignment technician/mechanic.
- 1 x Mechanic.
- 1 x Exhaust fitter.
- 1 x Driver.
- 1 x On-site technician at one of the national fleet customers.
- 2 x "Ghost" employees (owner's wife and son).

The manager has been with the business for 4 years. The current owners wife and son does not have to be replaced by the new owner.

How involved is the Owner in running the business?

The owner is totally hands-off and only oversees the business from home.

When does the current lease end?

The current lease agreement expired on 30 April 2022, therefore the lease is currently month to month.

What are the trading hours?

Monday to Friday 8am to 5pm and Saturdays 8am to 12pm with 24/7 breakdown support.

What are the main assets of the business?

The main assets of the business are:

- Tyre fitment equipment.
- Low level lift.
- Wheel alignment equipment.
- 3 x Workshop vehicles.
- 2 x Mobile breakdown units.
- POS computers.
- Office furniture & equipment.

A detail asset list is available on file.

Strengths?

- 1) National fleet contracts.
- 2) Accredited service provider to fleet divisions of all major banks.
- 3) 24/7 Breakdown service.
- 4) Backed by a national franchise.
- 5) Client retention.
- 6) Reputation (commitment to customer service and reliability).
- 7) Low rental.
- 8) The business is largely not affected by lead shedding.

Weaknesses?

- 1) Competitive pressure.
- 2) Operational cost.
- 3) Staff challenges.
- 4) Dependence of the transport and logistics industry.

Opportunities?

- 1) Additional national fleet contracts.
- 2) Increasing retail/walk-in business.
- 3) Geographic expansion.
- 4) Diversified customer base.
- 4) Importing tyres.

Threats?

- 1) Dependence on national fleet contracts.
- 2) Economic downturns.

What is the reason for the sale?

The owner will turn 60 in December 2023 and wants to focus on his property portfolio.