



BUSINESS REPORT

Date: **12th May 2024**

Business Reference: **36091**

About the Business:

Vehicle Servicing and Repairs business in popular Garden Route Coastal town. Strong monthly growth.

Due to personal issues the Seller wishes to sell as soon as possible and will consider all reasonable offers. The Owner has three of these outlets and wishes to retain the other two which is based close to CT where he resides. The Garden Route outlet is too far removed geographically for him to be operationally involved.

All assets are in top condition and new, and the business is being well supported. The business will show long term growth and profitability especially if the Owner were able to assist the Manager with local marketing initiatives.

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Sector: **Services**

Asking Price:

R 1,200,000

Monthly Profit:

R 36,891

Asset Value:

R 553,700

Stock Value:

R 10,000

Yearly Net Profit :

R 442,689



Business Report

Fully describe the business's activities?

A 5 Star RMI Graded Franchised Motor Vehicle Workshop; accredited / registered with many insurance & warranty companies.

Tier 1 Sponsors of the new gazetted 'Right to Repair' which permits clients to service their 'in warranty' vehicles with us, and maintain their factory warranty.

A full spectrum workshop, offering from minor services to full engine rebuilds including electronic diagnostics etc.

How long has the business been established?

24 Months

How long has the owner had the business?

Since Inception

How does the business operate on a daily basis?

A Manager assisted by the receptionist that manage the business without the owners assistance.

Petty cash is held on site, large payments made remotely by the Owner.

The business offers a courtesy car and will pay for clients to be taken home / collected should the need arise.

Currently there are 2 qualified mechanics, one assistant and one general worker.

Spares are bought on account from major suppliers as required.

Occupational Health and Safety audits are regularly held with a consistent score of above 90% compliance.

How are the clients attracted to the business?

Being part of a Franchised business, the "National Footprint" ensures that service quality is consistent and pricing realistic, ensuring customer confidence and satisfaction.

General Media, Social media, Billboards, Websites, Social Groups, supported by the National Website and Franchise Branding.

There are large posters mounted in the main Mall in town.

Referrals from other businesses also in the motor industry.

What Advertising/Marketing is carried out?

Large posters placed at different sections of the main local mall.

Does the business have any contract work?

This business does have a fleet servicing and repairs contract in place.

What competition exists?

There are a number of other workshops in the area, but no other National Franchised Brands or who do the marketing and support as effectively as this franchised brand.

What are the seasonal trends?

As with most of the coastal businesses, there is very strong trading over the summer months and the holiday periods such as Easter and school holidays.
However the 3 main months of winter can be very quiet and that requires a business to provide for low cash flow over those months, and to also ensure that the local market is always well looked after to ensure repeat business.

Is the business VAT Registered?

Yes

Are there up-to-date Management Accounts available?

Yes

How could the profitability of the business be improved?

The new Owner may benefit by doing more local marketing initiatives and being part of the community. There are many small initiatives that can be carried out to increase the turnover.
Other vehicle services that are not in conflict with the Franchise model can be considered.

Is Seller finance available and for what amount?

No

What is the total staff complement?

There are 6 staff members apart from the Owner.

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

1 Manager
1 Receptionist
2 Qualified mechanics
1 Assistant Mechanic
1 Cleaner

Do any receive special perks or incentives?

No

How involved is the Owner in running the business?

The Owner is based elsewhere and facilitates payments as and when required.
Apart from that they are not operationally involved in the business on a day to day basis.
The Manager was instrumental in the Owner buying the business and a new Owner need only assist and support the Manager with local marketing initiatives and need not be operationally active.

When does the current lease end?

February 2025

What are the trading hours?

7.00 to 17:30 Mon to Friday
8.00 to 13:00 Saturdays
Closed Sundays and Public Holidays

What is the square meters of the business?

Approximately 680 square meters.

Do you require a licence?

Yes

What are the main assets of the business?

Tools and Workshop Equipment
Office and Reception Furniture and Fittings
1 x Motor Vehicle
3 KV inverter & 2 x 200ah backup with which powers the POS System if and when required

What is their overall condition?

Good

Do any require repairing?

No

How have they been valued ?

At Owners secondhand value.

Are they presently insured?

All assets are insured

Strengths?

Part of an Award Winning National Franchise brand with little to no competition at this level
The Manager was a condition of purchase as is very capable and knowledgeable so new Owner need not be actively involved.

Very little local competition that can offer the professional image that this business enjoys.

Curtesy Vehicle

Personal Care

Weaknesses?

Pricing in this sector remains very competitive and being part of a franchise, service levels must offset perceived incremental pricing

Opportunities?

Having a business of this nature lends itself to exploring other services in the motor vehicle sector that are not in conflict.

Threats?

There are no known of threats apart from the undercutting of prices by local operators

What is the reason for the sale?

The Owner already owns two more of these outlets but far removed from this one which is not an ideal situation.

He would rather relinquish this branch which would allow him to invest the proceeds elsewhere to more advantage.

Why is this a good business?

Despite having only commenced trading just over 2 years ago, the monthly turnover indicates what the business has already achieved in a relative short period of time.

There is a Manager in place that is truly outstanding, and has been with the business since they opened and was a condition of the owner deciding to purchase the franchise.

As long as the new Owner is committed to excellent customer service and supports the Manager, they can be assured of an excellent, profitable long term investment.

This is the ideal business for a Buyer who does not wish to be operational.