



# BUSINESS REPORT

Date: **21st May 2024**

Business Reference: **36251**

About the Business:

**Electrical wholesaler and retailer with good client base.**

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Sector: **Retail**

Asking Price:

R **2,000,000**

Monthly Profit:

R **286,217**

Asset Value:

R **1,897,806**

Stock Value:

R **950,000**

Yearly Net Profit :

R **2,862,170**



# Business Report

## Fully describe the business's activities?

This business wholesales and retails electrical and solar components. They have recently moved out of a retail environment into a business park with more focus being applied to B2B and electrical contractors, this has in turn seen the business saving R500 000-00 in rental costs.

## How does the business operate on a daily basis?

They supply electrical components to electrical contractors and other businesses. The business started off as an electrical component retailer, which evolved into an electrical wholesaler and retailer, boasting a number of large nationals as clients.

## What Advertising/Marketing is carried out?

Facebook  
Twitter  
Instagram  
Website

All the digital platforms and advertising is managed by an external service provider.

## What competition exists?

There are other electrical suppliers, however this business is focused on supplying B2B and electrical contractors.

## How could the profitability of the business be improved?

The business was moved from a retail space into a wholesale only premises which has resulted in a R500 000 annual saving.

The business needs to become a bigger player in the solar market and focus more on cheaper solutions to low income house owners.

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

1 manager  
3 sales people  
2 accounts  
1 store manager  
1 driver

### Do any have management potential?

Yes, manager currently in place.

### How involved is the Owner in running the business?

The owner is involved on a daily basis with large amount of flexibility.

### When does the current lease end?

31 August 2026

### What are the trading hours?

Mon - Sat 8am to 5pm.

### What are the main assets of the business?

A comprehensive asset list will be made available to buyers on request.

### Strengths?

Well established with solid client base.

## Weaknesses?

The business needs a good external sales representative to get out of Midrand and look for business in the neighbouring areas too.

## Opportunities?

Establish an e-commerce store.  
Large opportunity to scale the business in B2B space.

## Threats?

There are no real threats unless you don't keep enough stock and sell above the market prices. The staff here are very friendly with the customers and that gives them a lot of buying loyalty from customers.

## What is the reason for the sale?

The owner is a registered Professional Engineer and wants to focus more on doing consulting work.