



Date: **28th November 2024**
Business Reference: **36284**

About the Business:

Retail and online furniture shop for sale

Profitable retail furniture store with growth potential

Retail and online furniture shop for sale



Sector: **Retail**

Asking Price:

R 500,000

Monthly Profit:

R 12,833

Asset Value:

R 0

Stock Value:

R 1,140,750

Yearly Net Profit :

R 153,994



Business Report

Fully describe the business's activities?

This business is a retail & online furniture shop. They sell manufactured, new furniture items including bedside pedestals, side tables, chests of drawers, tv stands, dining servers, bookshelves, desks, tables, benches and occasionally custom-made items to order.

The business advertises the items on Facebook marketplace and direct enquirers to their shop in Umhlanga or accept online orders via EFT payment.

How does the business operate on a daily basis?

The shopkeeper runs the store whilst the owner works from home and handles the marketing and ordering of stock. All items are listed on Facebook marketplace – enquiries come in via marketplace messenger and are answered by the owner – this is what takes up the majority of time. The business averages around 30 message enquiries per day on their stock items.

What Advertising/Marketing is carried out?

Facebook Marketplace (free and paid for advertising)

What competition exists?

Other furniture retail shops. However, their product range is uniquely positioned in that it is extremely affordable, yet of a very high quality and standard.

How could the profitability of the business be improved?

Create an e-commerce website.

Create social media accounts.

Create a brand identity.

Increase store footprint to North Coast, South Coast and the Upper Highway areas as many customers drive long distances to the shop.

Commence with own deliveries instead of outsourcing transport.

Dedicated resource to run the business. The business does very well despite limited input by the owner, who has in the last few years become a mother of two boys and has not been focused on the business at all.

Despite this, the business has continued to thrive.

Professional photographs. They literally use photos taken from a cell phone on their adverts.

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

The shopkeeper has been employed since May 2022 since they moved into the shop space.

Do any have management potential?

Yes, the shopkeeper does have management potential.

How involved is the Owner in running the business?

As mentioned above, since having two kids over the last two years, the owner has not been fully focused on the business. Her current input is roughly two hours per day. The recommendation is for whoever purchases the business is either to upskill the existing shopkeeper to assume more responsibilities (i.e., managing the Facebook enquiries) or alternatively it could be for a stay-at-home person who may or may not have children at school and who may be looking for business to run and grow.

When does the current lease end?

Month to month – all tenants in the building are on the same terms for a number of years now.

What are the trading hours?

Trading hours are weekdays 8am – 4:30pm and Saturdays from 9am – 3pm. However, the shopping complex has no fixed trading hours.

What are the main assets of the business?

Inventory
Exclusivity with a carpenter on specific furniture product lines.

Strengths?

Excellent quality products at a low cost
Low overheads (Expenses = circa R12 500 per month)
Talented carpenter and carpentry team as suppliers
Exclusivity with carpenter on product lines

Weaknesses?

No credit facility with supplier
Cashflow management

Opportunities?

Growth into other regions
Franchising
Increasing market for low cost, yet quality furniture products
Ecommerce/online shop.

Threats?

Competitors
Economic downturn (could be an opportunity due to spending on lower cost, but quality furniture)
Market saturation. Possible but unlikely.

What is the reason for the sale?

The owner's focus has changed from being business orientated to being a mother and family orientated. Her family is also now building a house which she is project managing, which takes up a lot of her time. Her husband is employed in a senior position and is able to support the family and a secondary source of income is not required.