

business
for sale



Date: **3rd July 2024**

Business Reference:**35052**

About the Business:

Distribution agencies for a multi purpose cleaning product (only selected areas)

This offer a low-cost opportunity for the entrepreneur to market this quality multi-purpose cleaning product (contact the Broker to find out if your area is still available)

Distribution agencies for a multi purpose cleaning product (only selected areas)



Sector: **Retail**

Asking Price:

R 11,750

Monthly Profit:

R 10,417

Asset Value:

R 2,250

Stock Value:

R 28,250

Yearly Net Profit :

R 125,000



Business Report

Fully describe the business's activities?

This is a turn-key operation.

Ecologic is looking for passionate, like-minded people or companies to be part of the drive to make this brand available to more families and businesses in specific areas.

The client has the opportunity to mix / drum and distribute a proven premium multi-purpose cleaning & disinfecting product - ECOLOGIC All-in-One, in a specific area.

How long has the business been established?

The seller has worked on this business model since 2012

It has reached the phase when the concept has matured , and ready for a wider roll-out

What steps are in place to solve 'load shedding' problems?

The mixing and distribution depot is not reliant on the continues availability of electricity

Fully describe the business

Ecologic is a premium and proved detergent (soap)

It has a multi-purpose application (degreasing / disinfectant / stain remover etc .)

The current operator is offering the opportunity for partners to share in the growth, by adding this service and product to their existing line-up - or for the entrepreneur to enter the SME market with a proven product.

This distribution depot consists of the following : (initial layout)

- * 1000 litre Ecologic concentrate
- * Flow bin with fittings
- * 160 x 5 litre containers
- * 200 x 750ml spay bottles
- * All applicable labels

How does the business operate on a daily basis?

The Ecologic agent have the right to market and distribute the products in the specific area

The agent should be market driven

Interact and introduce the product to all potential clients in the area

Follow-up on previous sales to secure continuous orders

How are the clients attracted to the business?

The brand has a active social marketing presence
www.ecologic.co.za
Facebook
Instagram

It is a good product - and see many returning customers

What Advertising/Marketing is carried out?

The brand is already involved as a sponsor at cycling events / growing interest within the horse riding community
The seller also introduce and market the product to cycling shops and hardware and DIY retailers

Does the business have any contract work?

The brand already has a presence in certain well known hardware outlets
However , it is for the area operator to negotiate this with outlets

Describe the present and future target markets

The product appeal to a wide market

- * Mining sector
- * Transport sector
- * Agriculture sector
- * Household cleaning market
- * Cycling market
- * Horse riding market
- * Hospitality market (Restaurants / Hotels / Lodges)

Has COVID 19 influence the business ?

The business was able to operate during the later stages of lock-down
The disinfectant qualities of Ecologic were well received by the market

Are there up-to-date Management Accounts available?

The financial information is based on projected cashflow figures.

What percentage of the business is cash/credit?

Sales on credit is not recommended

Explain the capital layout

- * 1,000L ECOLOGIC (R21,500net) – minimum order
- * Flow bin met fittings (R2,250.00net)
- * Containers: 160 x 5L and 200 x 750ml spray bottles with labels (R5,500.00net)
- * Delivery cost at R6.25 / km (R1.250net for the first 200km)
- * Once of Agent fee linked to the area agreed upon (R19,500net)

Extra

- * 5L containers are R12,00net each - 750ml spray bottles are R14.50net each – labels @ R1.80net each

Explain the profitability projections

The retail model of the first 1,000L Ecologic is as follow :

160 x 5L containers at R265.00net each = R42,400.00
200 x 750ml spray bottles at R75 – R95.00net each = R15,000 - R19,000.00

Total initial turnover : R57,400 to R61,400.00 on the initial sales (capital investment was R 50 000)

Follow-up orders for 1,000 litre Ecologic @ R 21,500net plus delivery (R6.25 per kilometre) - plus the containers needed

This will be a gross profit +- R7,500 to R12,000 on the initial investment

R30,000 – R34,000 gross profit on each follow-up order of 1,000L batch and future orders

The seller expect that the agent will be able to turn the stock within 3 months
(R 11 000 plus 3 x R 30 000)

- * a Gross profit of R100 000 per annum is foreseen when stock is sold within 3 months

What is the total staff complement?

This operation will be manageable by a single person

How involved is the Owner in running the business?

The area agent should take ownership of the complete operation

What would the personal requirements be ?

The agent should have good sales - skills

What are the main assets of the business?

The start-up stock / flow bin / containers

The agent should rely on his/ her own phone / transport / admin

What is the requirements in terms of supporting assets in this business ?

The agent should have / have access to :

Telecommunication

Printer / PC

Transportation

Strengths?

Relative low cost turn-key opportunity

Remarkable product

Supportive backup from supplier

Diversified usage and application of the product

"food save " / antibacterial / non corrosive / non toxic

Could be added into existing retail lines

Weaknesses?

The new owners have to use their entrepreneurial skills to build this business

Opportunities?

The distribution agent have the opportunity to add this product line to compliment or diversify his current business

The agent can sell at wholesale , traders and to final users

The agent can negotiate the sole distribution rights for a wider area - where he/ she can supply the smaller Ecologic agents

Threats?

There are always competition in this market - good products and many inferior products
The agent should have perseverance

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Why is this a good business?

This is offering a stand-alone business opportunity , or a valued product line to add to an exciting business
Turn-key opportunity to the entrepreneur

What is the price plus stock and the profit?

Start-up costs = R 50,000

Recoverable with initial gross sales = R 58,000

How to I become an agent / get more information ?

Interested buyers should enquire with the Aldes Broker
The buyers will be connected to the seller for more info / areas available / contractual terms

What areas are available ?

Ecologic 3D (Pty) Ltd is looking to expand their distribution network in Gauteng, Limpopo, MPU, KZN, Free State and North West provinces.
A start-up, turn-key business solution for up to 450km radius around Gauteng in selected areas / towns / cities.