



BUSINESS REPORT

Date: **14th May 2024**

Business Reference: **36373**

About the Business:

Automotive CV Repair and fitment Business for sale.

Established in 1992. If you have a passion for motor vehicles repair, Is this business for you. With a established client base stretching over 29 years ,generation a good income out of longstanding client base.

Automotive CV Repair and fitment Business for sale.



Sector: **Services**

Asking Price:

R **480,000**

Monthly Profit:

R **26,076**

Asset Value:

R 287,600

Stock Value:

R 520,000

Yearly Net Profit :

R 312,912



Business Report

Fully describe the business's activities?

This business specialises in the replacement, repair, and service of all motor vehicle model CV joints as well as the supply and fitment of vehicle suspension parts and shocks. The Business is very well known in the Pretoria area and has been in business for 31 years. The Business has a large established client base.

How does the business operate on a daily basis?

The business model is based on a same day service and a first come first served basis. Appointments are the exception and not the norm. Customers arrive at the workshop, an assessment of the motor vehicle is done, a quote is prepared as the customer waits and if the customer accepts the quote work on the vehicle can start immediately. Seldom a vehicle will have to stand over to the next day, but it can happen if the customer arrives late during the day of assessment.

What Advertising/Marketing is carried out?

Google search promotions, but very little marketing is done, since word of mouth is currently the most successful marketing tool.

What competition exists?

No competition in the immediate area, the closest competition is approximately 15km away, but does not offer suspension parts and shock fitment services.

How could the profitability of the business be improved?

The profitability can be improved by diversifying. Diversifying ideas have already been tested, which include commercial vehicle body rubberizing. A rubberizing partner who does rubberizing with mobile equipment has already been identified and tested.

Profitability can also be improved by a dedicated marketing campaign.

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

3 Dedicated vehicle Technicians who are the heart of the business and perform the daily customer vehicle assessments and repair work. The 3 technicians are highly experienced and their length of service at CV Repair Services varies between 7 and 11 years

1 male Cleaner who comes in once a week to ensure the workshop is clean and tidy and has been with CV Repair Services for 6 years

1 Workshop Manager who ensures quotes are prepared correctly to ensure a proper GP is maintained, invoices are issued, payments are received correctly, stock is ordered, and equipment is maintained. The Workshop manager has been with CV Repairs since 2021.

Do any have management potential?

The Workshop Manager if he stays on obviously is already in a managerial role. The 3 workshop technicians do not have management potential.

How involved is the Owner in running the business?

The current owner ran the business hands-on between 2019-2021, while the current Workshop Manager has been running the business hands-on since 2021, with the current owner in an overseeing role.

When does the current lease end?

31 December 2025

What are the trading hours?

Monday - Thursday 07H45 - 16H30

Friday 07H45 - 15H00

Saturday 08H00-12H00

What are the main assets of the business?

The main assets are the lifting equipment, bearing presses, generator, specialised hand tools, computer equipment, CCTV system, supplier stock lists, air compressor, stock items, human capital, Colt bakkie, workshop aircon.

An asset register is available.

Strengths?

1. Know how and experience of the workshop technicians.
2. Close proximity to 2nd hand motor vehicle dealers.
3. Demographics of the area where CV Repair Services is located. People of the area tend to fix their vehicles and not replace it.
4. Sole supplier of a very specific brand name of high quality CV joints.
5. Quality workmanship.
6. Only CV repair and suspension part fitment centre in the area.
7. Barriers for competition to enter the market are quite difficult

Weaknesses?

No dedicated marketing person to actively market CV Repairs' services and products.

Opportunities?

1. Business can diversify with already tested concepts such as a vehicle rubberising service.

Threats?

The only threat is for second hand motor dealers to also start offering similar service to CV Repairs and although this has been an identified threat since the inception of CV Repair Services the threat has never materialised.

What is the reason for the sale?

The current owner is an engineer by trade and has been offered an international position within his engineering field and will therefore not be able to fully concentrate on the overseeing function of CV Repair Services.