

business
for sale



BUSINESS REPORT

Date: **21st May 2024**

Business Reference: **36441**

About the Business:

Painting and Waterproofing Franchise Opportunity

Waterproofing and Painting services - utilizing latest technology in products and application. Take this opportunity to utilise an already established and well known brand which is offering a painting franchise opportunity in your area.

Painting and Waterproofing Franchise Opportunity



Sector: **New Franchise Opportunities**

Asking Price:

R **445,000**

Monthly Profit:

R **23,266**

Asset Value:

R 60,500

Stock Value:

R 45,000

Yearly Net Profit :

R 279,190



Business Report

How long has the business been established?

4 Years

How long has the owner had the business?

Since Inception

What is the Franchise opportunity about?

This is a Roof Painting and Waterproofing opportunity which allows the operator to use specialized equipment and approved waterproofing material, that when applied correctly will deliver a professional final product with a warrantee attached.

How long has the Franchise group been established for?

2 Years

Flagship Operation 4 Years

How does the business operate on a daily basis?

The franchisee is responsible for the general management of the business, which include:

1. Local advertising
2. Completion of tenders/quotes
3. General Administration
4. Arrange the team for the physical operation/painting job
5. Quality control
6. Payment arrangement

What Advertising/Marketing is carried out?

Local advertising and promotions, social media, leaflets and signage included in Franchise deal

How could the profitability of the business be improved?

Labour/wages is your biggest expense in this industry. Don't employ permanent staff unnecessarily. Rather get casuals or temporary labour when needed. Even consider sub-contractors per project.

Do any have management potential?

Yes

How involved is the Owner in running the business?

Hands-on

What are the trading hours?

Mo-fri 8-5

What are the main assets of the business?

Airless spray machine

Are they presently insured?

Yes

Strengths?

Using the latest technology in the painting industry

Weaknesses?

Absenteeism of supervision could lead to come-backs and mistakes.

Opportunities?

There are many security estates looking for permanent maintenance contractors which ensures a fixed income on a monthly bases, while a 2nd team services the day-to-day clients.

Threats?

There are many fly by nights in the industry that can mess up the market.

Why is this a good business?

This is a great opportunity to make use of the good name and reputation of an existing brand and to use the tools and products that have been tested and proved in practice.

How are Projected turnovers and profits calculated?

Projections are based on existing operations

What is the Franchise joining Fee?

Franchise Financial Investment
Upfront Fee (License Fee) - R250 000
Training, Travel & Accommodation - R 30 000
Support - R 20 000
Admin, Legal and Commission - R 70 000
Tool list - R 60 500
Marketing - R 14 500
Initial Stock - R 45 000
TOTAL - R490 000

Operating Capital (Initial Working Capital) - R50 000
(Provision for deposits, trading shortfalls and other contingencies)

TOTAL INVESTMENT REQUIRED R540 000 (Vat Included)

What is the monthly royalty, management and marketing fees? Are these fees based on turnover or a flat rate?

1. Royalty Fee 5% of turnover
(Variable, for franchisor's continued support, assistance and advice, payable on or before the 7th day of each calendar month)
2. Advertising Contribution 3% of turnover
(Variable, payable on or before the 7th day of each calendar month)
3. Admin Fee 3% or 7% (optional) of turnover

What extra marketing and advertising should a franchise budget for?

For local marketing initiatives

Is the franchisor supplying all assets or can the franchisee source these items himself?

Franchisee will require a Vehicle (Bakkie) (not included) but financials caters for the financing cost of a vehicle.

Is stock supplied with the initial franchise setup (if applicable?)

Initial Stock - R45 000 included in Franchise Set-up

How many staff members are required to successfully operate the franchise?

It is recommended that each team consist of:

- 1 x Operator
- 1 x Assistant

What training is provided for new franchisees and staff members? Is there a cost associated with this?

Yes - Included in Franchise Cost

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What is the full purchase price of the franchise (incl VAT)?

R490 000 (including VAT)

What is included in the purchase price and breakdown of various costs?

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