

business
for sale



Date: **23rd November 2024**

Business Reference: **36466**

About the Business:

Franchised Roof and Painting 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.

Franchised Roof and Painting Opportunity



Sector: **New Franchise Opportunities**

Asking Price:

R 445,000

Monthly Profit:

R 23,266

Asset Value:

R 0

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?

Normal Trading hours for this industry which are 08-00 to 5-00 pm Mondays to Fridays normally.

What are the main assets of the business?

Airless spray machine
Trailer
Ladders and equipment
Full turn key operation supplied by the Franchisor.

Are they presently insured?

All assets should be covered by insurance as and when the new Franchisee commences trading.

Strengths?

Part of a franchise operation with the benefits of corporate marketing.
On site training by a very experienced and operational Franchisor.
Using the latest technology in the painting industry.
Once you become a Franchisee you will receive full training and all the required assets to commence working.
any leads received by Head Office for the geographical region that you acquire will automatically be given over to the respective Franchisee.
The Franchisee operation makes sure that only high quality products are used so that their standards remain consistently good.

Weaknesses?

As with all service related businesses, working in somebody else's home requires a strong discipline to keep the customers happy.
The weakness that can occur is when incompetent staff are left on site without supervision or do not respect the standards of the franchise operation.

Opportunities?

There are numerous opportunities within this sector, as if a good job is done there are very often referrals to friends or family of the clients.
Word of mouth endorsement is an important marketing aspect to this business.

Threats?

There are no direct threats to this business if the franchisee ensures that they adhere to the standards and trading terms and conditions that they receive from their Franchisor

Why is this a good business?

An excellent opportunity to enter this home improvement domain but with the support of an experienced Franchisee who will assist in ensuring the success of the operation.

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) - R 250 000
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 R 490 000

Operating Capital (Initial Working Capital) - R50 000

TOTAL INVESTMENT REQUIRED R 540 000 (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

The Franchisor has made the opportunity available for the administration to be completed by Head Office so as to free that responsibility from the Franchisee. This service will allow more time and focus on the field activities and allow the Franchisee to focus more on the operational aspect of the business.

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

Strengths?

Using the latest technology in the painting industry
Experienced Franchisor who has the proven formula.

Weaknesses?

There are no known weaknesses within this franchise operation.

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.

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?

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