

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

# BUSINESS REPORT

Date: **13th May 2024**

Business Reference: **36316**

About the Business:

## Pizza and Pasta Franchise in high LSM area

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Sector: Food

Asking Price:

R 1,535,000

Monthly Profit:

R 60,952

Asset Value:

R 600,000

Stock Value:

R 65,000

Yearly Net Profit :

R 609,523



# Business Report

## Fully describe the business's activities?

Located in the leafy suburbs of the north. The store is a bespoke pizza & pasta restaurant drawing on elements of being authentically modern Italian, yet affordable & unpretentious enough to appeal to all echelons of society. The store is emphasized by strict adherence to fresh quality ingredients, cutting-edge recipes, top-notch service levels & striking surroundings.

## How does the business operate on a daily basis?

The restaurant typically starts its day by preparing fresh ingredients and dough. The kitchen staff begins early to ensure everything is ready for the day's service. As the restaurant opens, the front-of-house team sets up the dining area and takes reservations if applicable. Throughout the day, orders are taken, and the kitchen prepares and cooks pizzas and pasta dishes to order. The waitstaff delivers food to customers while maintaining a welcoming atmosphere. Meanwhile, kitchen staff manage inventory, restock supplies, and ensure a clean and organized workspace. The restaurant remains busy during peak dining hours, and the staff works together to provide quality service. At the end of the day, closing duties include cleaning, restocking, and preparing for the next day's operations, ensuring a smooth and efficient routine.

## What Advertising/Marketing is carried out?

This business already has a good social media presence with over 4 thousand followers on Instagram alone. The brand also has a well-established website with a built-in online ordering system. Word of mouth benefits, long-established business with loyal repeating customers.

## What competition exists?

The brand is a very unique concept that bridges the gap between restaurant & takeaway. They offer a quick service & convenient product at restaurant quality. Because of this, they find themselves with only a few competitors. Although these competitors are serving good quality pizza at a high price, there is no one in the quick service market serving pasta like them!

## How could the profitability of the business be improved?

The business is currently staff-run & so is management top-heavy. With the right owner involved staff can be reduced & plans to increase revenue can be implemented.

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

There are 9 Kitchen staff & 1 Kitchen manager. The Kitchen is divided into sections namely pizza, pasta, prep/salads & sculler. All staff assigned to their sections are responsible for preparing, cleaning & making orders for that section. The Kitchen manager oversees all Kitchen sections. There are 2 front of house staff that are responsible for taking customer orders, serving sit-down customers & preparing drink & dessert orders. They also control the 3rd party delivery partner orders ( Uber/Mr. D ). The store has 2 Managers who oversee the store both front house staff & Kitchen. The store has 1 driver. He is responsible for all delivery orders as well as controlling packaging.

### Do any have management potential?

There are already 3 managers employed as mentioned.

### How involved is the Owner in running the business?

The owner is permanently running another larger business & is currently only overseeing the business.

### What are the trading hours?

Mon to Thu & Sun 10:30am to 8:30pm. Fri & Sat 10:30am to 9:00pm.

### What are the main assets of the business?

Pizza Oven, Refrigeration, Bespoke shop fitting

### Strengths?

The brand has a very strong set of franchise operating systems & controls in place . Cutting-edge equipment & innovative menu ideas.

### Weaknesses?

Overheads were geared towards a large roll out of stores. With a central kitchen in mind set. Streamlining overheads will overcome this potential weakness.

## Opportunities?

The store is located in a high LSM area, easily accessible. Excellent opportunity to duplicate the business model.

## Threats?

Loadshedding, however the store is on backup generator.

## What is the reason for the sale?

The owners are currently running another larger business and wants to focus on that.