



Date: **3rd July 2024**

Business Reference: **36550**

About the Business:

Franchise business in Port Elizabeth operating within the building environment, home improvements.

Operating within the building sector such as refurbishments, waterproofing, painting plus many other services, this business was established and traded well for over 10 years. The last Franchisee decided to move on after Covid to pursue other interests and the Head Office retook the business and has now

placed it back onto the market. Part of a National Franchise Brand, an established company with over 30 years of experience. Buying into the franchise offers full training and marketing support for the initial period, as well as all the required equipment to complete the jobs, however no vehicle is included. Its an ideal business for a younger hands on and business focussed individual who wishes to be in control of their own destiny business wise...somebody who believes in strong customer satisfaction and service levels, somebody with integrity and who has a flare for business and self motivated.

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Sector: **New Franchise Opportunities**

Asking Price:

R 880,000

Monthly Profit:

R 39,347

Asset Value:

R 1,197,169

Stock Value:

R 0

Yearly Net Profit :

R 472,162



Business Report

How long has the business been established?

This business has been trading since 2010, but experienced a setback with the previous operator in the region.

How long has the owner had the business?

Since 2010 in the Eastern Cape region.

How does the business operate on a daily basis?

The Franchisee has the advantage of determining the size of their team and to dictate their own growth and income.

The Franchisee will visit the relative site and engage with the client. Record the required information, work to be undertaken, products to be used, timings etc, and then complete and present the quotation.

For work in progress the Franchisee will ensure that the workers arrive timeously at the clients, that they are correctly kitted out, have the required equipment and know what work is to be undertaken and ensure that they remain professional and focused whilst doing the work.

All sites are monitored on a daily basis to ensure that safety measures are being implemented and that the work is progressing satisfactorily and to provide support and motivation.

How are the clients attracted to the business?

Local marketing initiatives, Word of Mouth endorsement and repeat clients including the Franchisors vendor list.

The Franchisee interfaces with new and previous clients and carries a binder showing what they do and previous work etc.

Its imperative that the Franchisee visits previous clients on a regular basis to ensure that the relationship remains strong.

What Advertising/Marketing is carried out?

Local radio ads during the startup period, social media and other local initiatives at the Franchisees discretion.

What competition exists?

There are always competitors be they formal or the "bakkie brigade" but what sets this business out in front is that they are part of a larger franchise operation and as such have proven products, with guarantees on product and workmanship, and the Franchisee is the face of the business at all times.

What are the seasonal trends?

As with most coastal based businesses, the summer months show higher turnover than the three main mid-winter months and these factors need to be kept in mind regarding cash flow over the quiet periods.

How could the profitability of the business be improved?

By visiting new clients and doing one on one presentations to potential clients.

How involved is the Owner in running the business?

The Owner should be the operator and the eyes and the ears of the business in its entirety.

What are the main assets of the business?

Equipment as required as well as point of sale etc

The Franchisee will draw the majority of the material requirements through the Franchisor who supplies their branded products.

The Franchisor delivers the required product to the franchisees premises or where required.

There are certain items such as roof sheets, sundry small items such as nails and screws etc which will be sourced locally when needed and sundry items from the local hardware.

Strengths?

Long established brand with a base of successful franchisees, and ongoing support from the Head Office. Established vendor list that becomes available to the new Franchisee and allows an intro to many businesses. This is the only such company in South Africa that manufactures enviro and eco-friendly products and have since 2010, which form part of the guarantee system and solutions.

Weaknesses?

There are local Contractors who often offer sub-standard work and products and this causes problems in the field and tarnishes the image of the industry.
For this reason the Franchisee must display and adhere to a code of ethics to ensure customer trust and satisfaction.

Opportunities?

There are always substantial opportunities within the building improvement and repairs or home repairs / improvement sectors.
The better the work is performed and service levels are high, the more the opportunities will become available.

Threats?

There are no known threats to this business especially for an Owner who remains focussed and pays attention to detail and service levels.

What is the reason for the sale?

The Franchisor previously had a Franchisee who decided to move on after Covid.
The work opportunities in this region are numerous and the Head Office wishes to put somebody back in the area as soon as possible.