

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

# BUSINESS REPORT

Date: **3rd July 2024**

Business Reference: **35516**

About the Business:

## **Authentic South African Fast Food Franchise**

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Well located fast food franchise, currently entirely manager operated.

# Authentic South African Fast Food Franchise



Sector: **Food**

Asking Price:

R **1,285,000**

Monthly Profit:

R **39,761**

Asset Value:

R 550,000

Stock Value:

R 15,000

Yearly Net Profit :

R 477,135



# Business Report

## Fully describe the business's activities?

This franchise offers an authentic South African fast food experience, and with its unique concept and distinctive brand, is growing steadily.

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

The owner spends very little time at the store and the business is currently operated entirely by staff. While "walk-ins" generate the bulk of the turnover, online orders and deliveries are increasing and account for a significant portion already.

## What Advertising/Marketing is carried out?

The franchisor advertises extensively via various social media and other platforms. Their target market has been clearly defined and they have adopted a marketing strategy to match. They have a vast database of clients and drive the brand through regular WhatsApp campaigns.

## What competition exists?

There are a few other fast food outlets in the vicinity, however, this concept is quite different and is uniquely positioned around favourite South African foods.

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

The store is currently entirely manager operated. With a dedicated, focussed owner-operator, the profitability of this business could be improved significantly.

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

The owner is not involved in the day-to-day operations of the business at all.

### When does the current lease end?

A new lease agreement will be negotiated with the landlord, so as to run concurrently with the new franchise agreement.

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

Kitchen and catering equipment as well as shopfittings, furniture, computer equipment..

### Strengths?

The store has recently been given a facelift. This is a fast growing franchise brand, well known for their unique take on food as well as excellent quality at very affordable prices. Extremely well located with lots of passing trade. Good systems in place. Low royalties aimed at supporting positive margins for the franchisee.

### Weaknesses?

The store is entirely manager operated.

### Opportunities?

There is excellent scope for growth and a committed and dedicated owner operator will boost turnovers significantly by reducing costs and implementing control measures that would be well managed and closely monitored.

### Threats?

General economic threats.

### What is the reason for the sale?

This flagship outlet is owned by the franchisor who is relocating.