

business
for sale



Date: **3rd July 2024**

Business Reference: **36144**

About the Business:

A business providing admin serves to creative entrepreneurs in Cape Town

They partner with creative entrepreneurs to handle all their administrative functions, serving these clients in Cape Town

A business providing admin serves to creative entrepreneurs in Cape Town



Sector: **Services**

Asking Price:

R 2,980,000

Monthly Profit:

R 96,215

Asset Value:

R 190,000

Stock Value:

R 20,000

Yearly Net Profit :

R 1,154,580



Business Report

Fully describe the business's activities?

They are an admin business servicing creative entrepreneurs and businesses in multiple industries in Cape Town.

How does the business operate on a daily basis?

They have 4 products:

- Shipping and logistics
- E-commerce fulfilment
- Website design and build
- Special Projects

Daily:

- They package and ship artwork globally for their clients, working as a shipping agent for them and ensuring that the artwork is packaged safely, that they have insurance on the items, that they have all the required paperwork etc.
- They build websites, including e-commerce and portfolio sites for their clients both on Woocommerce and Shopify
- They have a digital/service offering which is a website integration for their client's e-commerce store that allows them to display and check out with their discounted live shipping rates for local and international customers, geolocated current conversion so each customer sees the price in their own currency. This then all ties into a service offering of e-commerce fulfilment.
- The e-commerce fulfilment includes discounted shipping rates, their full integration suit for their website, physical product storage on-site, bespoke packaging of artworks including handwritten cards and/or certificates of authenticity and lastly supplier collections and deliveries so the artist does not need to run around from printer to framer etc, they do all of that.
- They work on special projects which include book publishing, being the logistics and shipping partners for art fairs, exhibition project management, design and printing jobs and any other smaller tasks that might come through from their clients

What Advertising/Marketing is carried out?

Only boosted social media posts and some google adwords but not in the last 6/8 months

What competition exists?

No direct competition exists as a single entity.

They have a very broad business model so it would be very rare for any one company to exist that covers the same elements as them

How could the profitability of the business be improved?

Investment into developing software to integrate our ecommerce solution into clients' websites, potentially expanding into local delivery and collection services in-house with vehicles, International expansion or franchises of the business, strategic partnerships with galleries, potentially setting up a sales platform to help the clients sell more work through us directly.

Any sort of advertising or marketing will help bring in new business.

There is also potential to become a one stop location for creatives so maybe going into printing, framing, inhouse crating and canvas stretching, and/or stationary, there is also potential to create a massive art storage facility where art collectors can store their art in a safe accessible location and then request the artwork to be delivered or moved whenever required. We also do not do any social media marketing or management for our clients which is requested very frequently from us.

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

A Staff break down is available

Do any have management potential?

No

How involved is the Owner in running the business?

The owner works every day in the business with the team..

When does the current lease end?

1 Year + 1 at their new Cape Town offices.

What are the trading hours?

9 am to 5 pm

What are the main assets of the business?

A full list on file

Strengths?

Diverse product offering, people see the value of what they do

Established,

Their brand,

Critical mass of clients which helps with supplier negotiations.

As an admin business we are not invested in the art or the clients products at all, we are able to help without judgement which is different to an agent/gallery/etc.

Weaknesses?

No actual products have been built as a sellable asset yet.

It's a new idea so it needs to be explained to clients.

Logistics can be a complex industry. At the moment the JHB market needs some attention.

We have not quite taken full advantage of the opportunity there.

Opportunities?

Develop and build a simple website plugin that belongs to Artist Admin and move into the SAAS space. More strategic partnerships with equity or profit share stakes in the business/ideas.

They see this developing into a very nice cash cow for the business as it will be a bit of upfront investment and then everything after that would be a COS to the project with a mark-up.

There is also large opportunity to either open more branches or to franchise.

Both models already exist in separate fields with great success.

The African and South African art market is exploding now with the world begging for more from us.

This business is perfectly positioned to take advantage of that in so many ways

Threats?

Because of the rand they are at the mercy of the exchange rate when it comes to international shipping. If shipping prices are high, then there is less purchases on their clients site and our turnover then feels the change.

Technology changes very rapidly and they need to keep ahead of everything going on in that space.

What is the reason for the sale?

The owner has a new challenge that he wants to pursue and feels it is time to cash in on the asset he has built.