

business
for sale



Date: **25th October 2020**
Business Reference: **33890**

About the Business:

Retail Hardware Store in Roodepoort / Honeydew area for sale

The hardware store is located within a fast developing informal settlement and township area

Retail Hardware Store in Roodepoort / Honeydew area for sale



Sector: **Retail**

Asking Price:

R 1,200,000

Monthly Profit:

R 46,435

Asset Value:

R 1,637,000

Stock Value:

R 1,300,000

Yearly Net Profit :

R 557,220



Business Report

Fully describe the business's activities?

The A Hardware retail store is located in Zandspruit (in the vicinity of Honeydew and Cosmo City). It is a community general hardware store that supplies goods and building materials to the neighbouring informal settlements, shacks and the residential areas of west Honeydew and Cosmo City.

How does the business operate on a daily basis?

The business hours are:
Monday to Friday 8.00 to 17.30
Saturday 8.00 to 15.00
Sunday 8.00 to 13.00

What Advertising/Marketing is carried out?

Newspaper advertising
Distribution of pamphlets (the most effective medium)
Word of mouth in the neighbouring community
Road signage

What competition exists?

A "Build It" is in the vicinity but are more expensive

How could the profitability of the business be improved?

The immediate area is expanding rapidly in terms of new builds. There are also continuous alterations and expansions to the current structures.

The business currently focuses only on the dwelling owner and ignores the contractor market who typically buy on credit. This is an area that could be targeted. It will require additional finance resource to manage the debtor accounts and, to some degree, additional working capital.

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

Staff comprises a manager, in-store salesmen, brickmakers, a driver and general workers within the store and yard

Do any have management potential?

There currently is a manager that runs the business

How involved is the Owner in running the business?

Oversees the operations in conjunction with his other stores

When does the current lease end?

2023

What are the trading hours?

Monday to Friday 8.00 to 17.30

Saturday 8.00 to 15.00

Sunday 8.00 to 13.00

What are the main assets of the business?

1 x 8 ton Truck

1 x Forklift

3 x Brickmaking Machines

Shop shelving

Furniture and fittings

Security cameras and related equipment

Office equipment, including computers

Strengths?

Competitive pricing

Location

Manufacturers own bricks

Weaknesses?

Still only 18 months old and building the brand

Opportunities?

The brand is still in the formative building stages but has gained significant traction already
Focus on contractor market

Threats?

Xenophobia pressures impact the informal settlements
Unlikely but price reductions from the main competitor

What is the reason for the sale?

Owner is stretched managing his other businesses