

business
for sale



Date: **1st September 2024**
Business Reference: **36664**

About the Business:

Baby Clothing Manufacturer - 19 years old in Cape Town

A well-known baby product manufacturer is operating from a small factory in Cape Town. Low staff numbers with outsourced production

Baby Clothing Manufacturer - 19 years old in Cape Town



Sector: **Retail**

Asking Price:

R 1,100,000

Monthly Profit:

R 43,814

Asset Value:

R 148,000

Stock Value:

R 200,000

Yearly Net Profit :

R 525,762



Business Report

Fully describe the business's activities?

This family-run business manufactures baby wear products in Cape Town. The products are distributed in the market through their online store, in a large retailer as well as resellers in South Africa, Namibia and Australia. The business has a factory in Cape Town and outsources the manufacturing to independent contractors as and when needed.

How does the business operate on a daily basis?

The owner visits the factory every second week and works remotely from home. She spends 4-5 hours per day involved with Finance and Admin and decision making. They have 2 permanent staff members - one worked remotely from her own home (but will be leaving the business in September) and the other staff member opens and closes the Factory in Cape Town.

The owner works closely with the production team at the factory, and communicate with them via WhatsApp.

All orders from direct clients and resellers are run through the website order interface. They manufacture on order and ship with lead time to the client.

If resellers are not productive, their agreements are cancelled.

They do have an import/export license.

They attend events where products are sold and resellers are signed up.

What Advertising/Marketing is carried out?

Paid posts on Facebook and Instagram
Face to face marketing at events - handing out pamphlets

What competition exists?

One large competitor in the sector in South Africa

How could the profitability of the business be improved?

Better Marketing and focus on getting more retailers

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

Independent contractors does the actual manufacturing and gets paid per manufactured product.

How involved is the Owner in running the business?

Most of the owners involvement lies in decision making and logistical.

When does the current lease end?

The factory is a 80sqm building with a mezzanine.
The lease is a 12 months lease , with option to renew in May 2025.
The business can be run from an owners home also.

What are the trading hours?

Production 8-5
Office 8-4
Factory shop 9 to 4
No weekends or public holidays

What are the main assets of the business?

Machinery +- R 78k
Dies / Patterns - R 70k
Raw material - +- R 25k
70 % completed products at costs R 270k (to retail at around R 1,5mil)
Completed Stock: R 200k

Strengths?

This business has been running well for almost 20 years.
Sought after products in baby fashion

Weaknesses?

The owner does not have time to market the business more or to acquire more resellers.

Opportunities?

Grow the reseller base
Get into more retailers

Threats?

One large competitor

What is the reason for the sale?

The owner wants to focus on something different and does not give the business enough attention to take it to the next level.