



BUSINESS REPORT

Date: **24th November 2024**

Business Reference: **36774**

About the Business:

Well Established Autobody Specialist For Sale In The East Rand

Specialist in Dent Removal, Minor and Major Cosmetics Repairs, Vintage Cars, Motorcycle repairs, Spray Painting, Panel Repair and Spray Painting, Colour Matching, and Smart Repair.

Well Established Autobody Specialist For Sale In The East Rand



Sector: **Services**

Asking Price:

R 2,900,000

Monthly Profit:

R 63,444

Asset Value:

R 3,106,963

Stock Value:

R 80,000

Yearly Net Profit :

R 761,333



Business Report

Fully describe the business's activities?

This established business specialises in the repair and spray of all vehicle types, including motorcycles and trucks. This workshop is a bustling hub of activity where skilled technicians bring vehicles back to life with precision and care. Whether a sleek motorcycle or a massive truck, every vehicle is treated with the utmost respect and expertise. This dedication to quality and customer satisfaction sets this workshop apart and makes it a valuable business opportunity.

How long has the business been established?

The business has been in operation for the past (9) nine years to date.

How long has the owner had the business?

The current owner has been involved for the past (8) eight years to date.

How does the business operate on a daily basis?

Reception Area:

1. Customer Service: This is a reception area where customers are greeted and their needs are assessed. Staff here take initial details about the damage and provide estimates. Waiting Area: A comfortable waiting area for customers, sometimes with amenities like coffee, magazines, and television.

2. Assessment and Estimation:

Damage Inspection: Technicians inspect the vehicle to assess the extent of the damage, including structural and cosmetic damage. Cost Estimation: Using specialized software and tools, the centre provides a cost estimate for the repairs, including parts, labour, and paint.

3. Repair Bays: Bodywork Repair: There are dedicated bays where technicians repair the vehicle's body. This includes fixing dents, replacing panels, and ensuring structural integrity.

Frame Straightening: Equipment for straightening the vehicle's frame if it has been bent or damaged in an accident.

4. Painting Area: Spray Booths: Enclosed, ventilated booths designed to apply paint evenly and safely. These booths control dust and environmental factors to ensure a flawless finish. Colour Matching: Advanced colour matching technology to ensure the new paint matches the vehicle's original colour.

5. Preparation Area: Sanding and Priming: Areas where vehicles are sanded down, primed, and prepared for painting.

Masking: Technicians mask off areas that do not require painting to ensure precision.

6. Detailing and Finishing: Polishing: After painting, vehicles are polished to remove imperfections and give a high-gloss finish. Detailing: Cleaning and detailing the vehicle's interior and exterior to ensure it looks as good as new.

7. Equipment and Tools: Specialised Tools: Various tools and equipment, including welding machines, dent pullers, sanders, and paint sprayers. Safety Gear: Protective gear for technicians, including masks, gloves, and overalls.

8. Storage Area: Parts Storage: A designated area for storing new and salvaged parts. Vehicle Storage: Secure parking for vehicles waiting for parts or completion of repairs.

9. Administration: Office Space: Administrative offices for managing customer records, insurance claims, and business operations. Software Systems: Use software for inventory management, scheduling, and customer communication.

10. Sustainability Practices: Waste Management: Proper disposal and recycling of hazardous materials like old paint, solvents, and damaged parts. Eco-Friendly Products: Use of eco-friendly paints and materials to reduce environmental impact.

How does the business operate on a daily basis?

The current owner has a very firm hands-on approach when it comes to the daily operations of the business. This usually starts with a team briefing daily whereby all tasks are allocated to specific staff members to ensure transparency as well as good communications throughout the business.

Vehicles are also collected from various dealerships for repairs and delivered back to them within the specified time frame.

How are the clients attracted to the business?

Currently, new clients are primarily attracted to the business through word of mouth from the current extensive repeat client base.

What Advertising/Marketing is carried out?

Facebook, LinkedIn, Instagram

Does the business have any contract work?

No, Opportunity for a New Owner

What are the seasonal trends?

There are currently no seasonal trends, as hail and bad weather only affect shops on insurance panels. The business also repairs vintage cars and slots them in during months with less work.

Is the business VAT Registered?

Yes

What VAT documentation is on file?

All VAT submissions are done and is on file.

Are there up-to-date Management Accounts available?

Yes all management accounts are up to date and is available.

What Balance Sheet and Income Statements are available?

The 2024 Financials are done and up to date. Management Accounts are done and up to date August 2024

What percentage of the business is cash/credit?

The business operates cash only with deposits.

How could the profitability of the business be improved?

1. Enhance Operational Efficiency
2. Expand Services:
3. Improve Marketing and Customer Acquisition: Digital Marketing: Utilize social media, SEO, and online advertising to reach a broader audience. Customer Loyalty Programs: Implement loyalty programs or referral incentives to encourage repeat business. Collaborate with Insurance Companies: Establish partnerships with insurance companies to become a preferred repair shop.
4. Customer Service
5. Cost Management: Energy, Operation Efficiencies, Staff Optimisation.
6. Training and Development: Skilled Workforce: Regularly train employees on the latest techniques and technologies to ensure high-quality work. Certifications: Encourage technicians to obtain certifications, which enhances the business's credibility and attracts more customers.
7. Financial Management: Regular Financial Analysis: Monitor key financial metrics such as profit margins, labour, and material costs.
8. Diversified Revenue Streams: Explore additional revenue streams such as selling car care products or offering training workshops.
9. Customer Reviews and Reputation.

Is Seller finance available and for what amount?

No

What is the total staff complement?

18 Staff Members (11 permanent (including director)) and (6 Independent contractors)

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

Receptionist - 5 years
Spray painter - 3 years
Office cleaner - 7 years
Manager - 7 months
Prep - 3 years
Store lady - 1 year
Panel beater - 9 months
Polisher - 3 years
Cleaning x 2 - 5 months, 6 months
General worker - 1 month

Do any receive special perks or incentives?

The Spray painter has a allocated company vehicle assigned to him.

Are they on contract?

No

Do any have management potential?

Yes (To be discussed)

How involved is the Owner in running the business?

The current owner is very much involved with all aspects of the daily running of the business.

When does the current lease end?

The Current lease agreement is from month to month but no contract is in place

Is there an option of renewal & what period?

Yes there is an option for renewal and it can be discussed with the Landlord.

What is the annual escalation %?

The annual escalation is 10%, however the current owner did negotiate a 0% escalation for 2024.

What are the trading hours?

Mondays to Thursday - 07h15 - 17h00.
Fridays - 07h15 - 15h30.
Closed on Saturdays.

What is the square meters of the business?

The total square meters is calculated at approximately 1400m2.

Is a copy of the lease available?

Yes a copy of the lease is available.

Do you require a licence?

Yes, the current owner is registered at CRA (Collision Repairers Association).
The current Fire certificate needs to be renewed.

What lease deposit and/or other surety is required?

Any lease deposit and or surety can be negotiated with the Landlord.

What are the main assets of the business?

1. Various tools and equipment.
2. Two Spraybooths.
3. Chassis bench.
4. Two post lifts.
5. Three preparation bays.
6. Three company vehicles.

Are any items not included in the sale?

The items not included will be discussed.

What is their overall condition?

Very Good.

Do any require repairing?

There are currently no repairs required.

How have they been valued ?

The assets have been insured at replacement value.

Which assets are on lease/HP and with whom?

Switchboard equipment is under lease.

What are their settlement amounts?

Settlement Amounts are available during the discussion.

Will Seller settle or Buyer to take over?

The Seller wishes for a full takeover by the Buyer.

Are copies of agreements available?

Yes. Available.

Are they presently insured?

100% Insured.

Strengths?

The business has a proven track record of quick turnaround times, good quality of work and highly competitive quotes, In doing so they have cemented themselves as a solid player within a competitive market space. Customer service and satisfaction is at the order of the day as proven by the strong base of return clientele.

Weaknesses?

The current workshop layout can be improved to ensure a more streamlined operation. Staff and Facility must be reduced. In previous years, there was also an Auto-rite business to repair and service cars. The rent, water and electricity is too high and must be reduced by giving notice for some of the units.

Opportunities?

Revenue Streams:
Insurance Business not utilized
Taxi Industry - Cash Trade

Plan to move the business at a later stage to Boksburg. The facility is 2,400m² under roof, but only 1,200m² is required.
Hire a Sales Representative and actively market to dealerships.
Sign a contract with major motorcycle shops for the repair of second-hand motorcycles.

Threats?

Informal Market fixing and repairs vehicles from home.

What is the reason for the sale?

The owner wishes to retire due to age.