

business
for sale



Date: **27th September 2024**

Business Reference: **35769**

About the Business:

Manufacturer: Lighting, homeware, and decor items

Business based in Gauteng. Manufacture per order. Some of the Retailers include: - Takealot - Builders Warehouse - Chamberlains - Metro - Leroy Merlin - Ericson's and more

Manufacturer: Lighting, homeware, and decor items



Sector: **Manufacturing**

Asking Price:

R 4,000,000

Monthly Profit:

R 174,804

Asset Value:

R 1,735,410

Stock Value:

R 1,000,000

Yearly Net Profit :

R 2,097,650



Business Report

Fully describe the business's activities?

Manufacturer of lighting, homeware, and decor items.

While operating a small retail shop for its products and other suppliers, the business primarily specializes in designing, creating, and manufacturing products tailored for retailers.

How does the business operate on a daily basis?

The business creates, designs, and manufactures products per order for major retailers in South Africa. Consistently creating fresh and new designs to align with evolving market trends.

What Advertising/Marketing is carried out?

Website

Signage board in front of the factory

Third-party representatives sell their products to independent retailers.

E-commerce and online sales

Printed advertising

What competition exists?

The owner has only identified 3 competitors, none of them based in Gauteng.

How could the profitability of the business be improved?

- Increase the Sales of the Business
- Price Sensitive
- Increase online presence and sales
- New product lines

Broker Note:

Owners' drawings and personal expenses.

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

1 x Admin / Office
1 x Online Management
2 x Drivers
1 x Production Manager
2 x Supervisor

Remainder of the staff is part of the factory / manufacturing division of the business.

Do any have management potential?

Yes - The owner has managers and supervisors in place.

How involved is the Owner in running the business?

The owner is involved in the day-to-day activities of the business.

When does the current lease end?

The owner owns the property.

What are the trading hours?

Monday - Friday 08:00 - 17:00 (Manufacturing/Factory)
Saturday: 08:00 - 13:00 (Retail Shop)

What are the main assets of the business?

The owner has provided us with a complete asset list for the business available on request.

Strengths?

- Reputable and well-known name in the industry
- Good relationship with their client
- Solid retail customer base across (National clients)
- Asset base
- Unique product base

Weaknesses?

- Manual labour remains a requirement for the very nature of the product lines.
- Too much focus on only certain product lines. Scope to expand the range.
- Dependency on wholesalers for sales/distribution and not enough online presence.

Opportunities?

- Lots of opportunities to increase online sales.
- Expanding the product range.
- Targeting the hospitality industry.

Threats?

- Staff management is crucial

What is the reason for the sale?

The owner has reached retirement age and wishes to sell the business.