

business
for sale



Date: **28th October 2024**
Business Reference: **36967**

About the Business:

Established Hardware Store with Loyal Customers & Minimal Competition – Your Next Successful Venture

his thriving hardware store has proudly served the community for over 20 years, providing a comprehensive selection of tools, building materials, and home improvement essentials. Its unique position with minimal local competition has fostered a loyal customer base and a strong reputation. Affiliated with

a leading franchise group, the store benefits from competitive pricing and national promotions, presenting an exceptional opportunity for new ownership.

Established Hardware Store with Loyal Customers & Minimal Competition – Your Next Successful Venture



Sector: **Retail**

Asking Price:

R 2,000,000

Monthly Profit:

R 101,135

Asset Value:

R 566,300

Stock Value:

R 1,200,000

Yearly Net Profit :

R 1,213,623



Business Report

Fully describe the business's activities?

This retail hardware store provides a comprehensive range of tools, building materials, and home improvement supplies to the general public. They offer a wide selection of products including hand and power tools, plumbing and electrical supplies, paints, garden equipment, and safety gear. The store is committed to serving DIY enthusiasts, homeowners, and small to medium contractors by providing quality products, expert advice, and personalised customer service. Whether it's a home renovation project or routine maintenance, they aim to be the go-to destination for all hardware needs.

How long has the business been established?

The current owner has had the business since 2007.

How does the business operate on a daily basis?

This hardware store operates on a daily basis by ensuring the availability and organisation of inventory, assisting customers, and maintaining store operations. Here's an overview of daily activities:

Inventory Management: Staff monitors stock levels, restocks shelves, and places orders with suppliers to ensure that essential products are always available.

Customer Assistance: Employees greet customers, provide product recommendations, and offer guidance on DIY projects or repairs. This often includes answering technical questions about tools, materials, or installation techniques.

Sales Transactions: The store processes purchases through a point-of-sale system, handling cash, and credit card payments, and sometimes offering delivery services for larger items.

Merchandising: Displays and product sections are regularly organized and updated to ensure customers can easily locate items and see featured products or promotions.

Maintenance and Cleanliness: Daily cleaning and tidying of aisles and storage areas ensure a safe and pleasant shopping environment.

Special Orders and Services: The store may handle custom orders, key cutting, tool rentals, or repair services depending on customer needs.

The owner drives team coordination this typically includes; Staff meetings, task assignments, and performance monitoring to ensure efficient workflow and address any operational issues.

Through these tasks, the store maintains its commitment to customer satisfaction and smooth daily operations.

How are the clients attracted to the business?

The hardware store operates under the brand of a major franchise partner but remains entirely independent. This affiliation enables the store to secure competitive pricing on inventory, a benefit which is passed on to its customers. With no direct competition in the area, the store has become the preferred supplier for local residents and businesses. Having been in the same location for over 20 years, the store is well-established and enjoys strong support from the surrounding community. Additionally, national promotions by the franchise partner help to attract a wider customer base.

What Advertising/Marketing is carried out?

National advertising campaigns from the franchise partner.
Social Media.
Advertising Leaflets.

What competition exists?

There are numerous other hardware stores.

How could the profitability of the business be improved?

Expand Product Range.
Enhance Customer Experience.
Loyalty Programs.

What is the total staff complement?

11 Payroll employees

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

Cashiers.

Sales.

Administrative.

Cleaning

Driver

Many of the staff have been with the company for many years. They are very experienced and can manage daily operations without the presence of the owner.

How involved is the Owner in running the business?

The owner is hands on in his business and is involved on a daily basis.

When does the current lease end?

2029 - renewed recently for another 5 years.

What are the trading hours?

Mon - Fri 8:00 - 17:00
Sat 8:00 - 13:30
Sun - Closed.

What are the main assets of the business?

Mitsubishi Fuso Truck
Hyundai H100
Inverter with 2 x lithium batteries.
Security Cameras
4 x computers (POS)
Brother printers
There many more items, a comprehensive list will be provided to serious buyers.

Strengths?

Established Reputation: With over 20 years in business, the store has built strong brand recognition and trust within the community.
Loyal Customer Base: Long-term presence has cultivated a loyal customer base that supports the business consistently.
Franchise Affiliation: Operating under a recognised franchise group allows access to national deals and bulk purchasing, resulting in better pricing for customers.
Local Market Knowledge: Years of operation provide valuable insight into customer preferences, seasonal demands, and local trends, allowing for targeted inventory management.

Weaknesses?

Limited Innovation: Long-standing businesses may resist adopting new technologies, marketing strategies, or expanding product lines.

Opportunities?

Expansion of Product and Service Offerings: The store can introduce new services (e.g., tool rental, workshops, or installation services) or expand product lines to capture untapped segments of the market.
Strategic Partnerships: Collaborating with local contractors or property developers could drive bulk sales and solidify long-term business relationships.
Community Engagement: Further engagement with the community through workshops, local sponsorships, or events can increase brand loyalty and customer retention.

Threats?

Economic Downturns: Local or national economic instability could reduce consumer spending on home improvement and maintenance projects.

What is the reason for the sale?

The owner has recently been diagnosed with significant health concerns, prompting him to make the difficult decision to sell the business. This decision comes after careful consideration, and the owner is committed to ensuring a smooth handover to a buyer who can continue the store's legacy and maintain its valued position in the community.

Why is this a good business?

This hardware store is an ideal business opportunity due to its strong market position, minimal competition, and over 20 years of stable operation. It benefits from a loyal customer base, a prime location, and franchise affiliation, providing competitive pricing and brand recognition. With a proven financial track record and multiple growth opportunities—such as expanding into e-commerce and offering additional services—the store has significant potential for further success. Additionally, the current owner is committed to ensuring a smooth transition, making it an attractive, low-risk investment.