



Date: **22nd November 2024**

Business Reference: **36979**

About the Business:

## **Profitable Software Reseller Business with Territory Rights**

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This well-regarded IT solutions business specializes in software reselling, technical support, and training, with rights to distribute two highly sought-after products. Operating since 2010, the business enjoys consistent revenue and minimal competition within its territory. The owner is looking to sell quickly, offering a competitive price for a cash buyer. Whether you're looking to expand your current business or

invest in a successful operation, this opportunity is not to be missed.

## Profitable Software Reseller Business with Territory Rights



Sector: **Services**

Asking Price:

**R 1,080,000**

Monthly Profit:

**R 54,620**

Asset Value:

**R 68,122**

Stock Value:

**R 20,000**

Yearly Net Profit :

**R 655,444**



# Business Report

## Fully describe the business's activities?

The business specializes in IT management, CCTV, Point of Sale Software and providing comprehensive computer solutions. Key activities include the reselling of software products, providing technical support, and offering training and implementation services. The business holds reseller agreements for two major software products, which are critical to its operations.

## How does the business operate on a daily basis?

The business primarily focuses on selling CCTV, software solutions and providing associated technical support. Day-to-day operations involve managing client relationships, providing training, and offering both remote and on-site support. Most work comes through the exclusive reseller agreements with two main software suppliers, which form the backbone of the business.

## What Advertising/Marketing is carried out?

Advertising is minimal, with a focus on maintaining strong relationships with existing clients and marketing the business through digital channels and vendor partnerships. The exclusivity agreements allow the business to stand out in the market.

## What competition exists?

There is no competition for the two main software products in the seller's territory, due to the exclusivity granted by the reseller agreements. This is a significant advantage that secures a steady market without direct competition.

## How could the profitability of the business be improved?

Profitability could be increased by expanding the customer base, taking advantage of the exclusivity agreements, increasing marketing efforts, and possibly outsourcing certain tasks to free up the owner for higher-value activities.

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

No, temporary contractors are paid on a project basis with no additional perks or incentives.

## Do any have management potential?

Since there is no permanent staff, this question does not apply.

## How involved is the Owner in running the business?

The owner is solely responsible for all day-to-day operations, from sales to customer support and administration.

## When does the current lease end?

The business does not operate from leased premises. The owner works from home, reducing overhead costs.

## What are the trading hours?

The business operates during regular business hours, but the owner is flexible to accommodate client needs as required.

## What are the main assets of the business?

Main assets include computer and IT equipment necessary for the day-to-day operations, as well as software licenses for internal use.

## Strengths?

The business benefits from reseller agreements with little competition in the designated territory, providing a stable customer base. The low overhead costs (due to working from home and not having staff) also contribute to strong profitability.

## Weaknesses?

The business relies heavily on the owner for all operations. This could be a challenge for scaling the business or if the owner is unavailable, however the business can scale easily with additional staff.

## Opportunities?

There is potential to expand by hiring permanent staff or expanding the marketing efforts to grow the customer base. The territory rights can also be leveraged further.

## Threats?

Potential changes in vendor agreements or new competitors entering the market could pose a future threat. However, the current contracts mitigate this risk for now.

## What is the reason for the sale?

The seller has been running the business for a long time and is seeking a more relaxed lifestyle due to ongoing health issues. He is looking to transition to a quieter life, potentially moving to a farm.