



Date: **21st January 2025**
Business Reference: **36871**

About the Business:

Two exclusive boutiques selling ladies clothing with their own label in iconic settings.

Two well established exclusive ladies clothing boutiques on the Cape peninsula, situated on a very popular tourist route. Most of the stock, (including ladieswear, knitwear and accessories) is sourced or produced locally from well known successful South African brands, which includes an in-house label that produces locally in Cape Town.. Not all but most of the ranges are made from natural yarns and are ethically

produced. This may provide a wonderful opportunity for a talented designer with the same aesthetic to develop their own label. An online store is currently being developed, where a limited range will be made available, in order to first test the market. The stores employ full time staff and additional seasonal staff over busy holiday periods. This is a small creative business with lots of potential for growth, depending on the ambitions of a new owner. The current owner will be prepared to stay very involved initially to ensure the ongoing success of this popular local brand, and to help with possible expansion.

Two exclusive boutiques selling ladies clothing with their own label in iconic settings.



Sector: **Retail**

Asking Price:

R 810,000

Monthly Profit:

R 53,389

Asset Value:

R 410,400

Stock Value:

R 750,000

Yearly Net Profit :

R 640,673



Business Report

Fully describe the business's activities?

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The current owner will be prepared to stay very involved initially to ensure the ongoing success of this popular local brand, and to help with possible expansion.

How does the business operate on a daily basis?

The stores are open between 9-5pm, 7 days/week.

The store manageress is responsible for customer service, stock management and movement between stores, maintaining the appearance of the stores, cleaning etc.

The owner/director does backend admin etc., which includes viewing ranges, and placing large seasonal orders, fabric purchases, design, organising production via established producers, overseas travel to purchase stock abroad.

Weekly visits are made to the stores to do merchandising and spend time with staff and customers.

What Advertising/Marketing is carried out?

The business is active regularly on the main social media platforms, including Instagram, Facebook, Pinterest, as well as local representation on various sites promoting businesses, including shopping centre websites, tourism sites etc.

Regular photoshoots are done.

Ads are then produced in the form of reels for Instagram, as well as Facebook ads. .

What competition exists?

The stores ranges are curated around very classic designs, with styles, prints and fabrics selected and designed exclusively for their stores. Only a small portion of the stock carried may be found in other select boutiques.

They support local and regional initiatives and upliftment projects (eg. we buy handmade knitwear, as well as batik products etc. from women supporting families), as well as local CMT (cut, make & trim) producers, artisans and producers who work from home studios.

They do not attempt to compete with large retail stores that import clothing from China and elsewhere.

Their market is more exclusive and although there may be a very small cross-over, most of their products will not be found in other stores, therefore maintaining exclusivity, which the majority of their customers value, and appreciate.

How could the profitability of the business be improved?

Open another one or two stores in shopping centres that maintain all-year foot traffic with consistent sales through the off-season months.

Launch the online store (this is in the process of being built), selling a core range of designs, accessories etc., and showing 'Lookbooks' of other available stock in store, with a link to purchase via WhatsApp, where a more personalised engagement/communication will ensure a higher sell through of other items online. They do receive many requests for an online option but are very aware of the pitfalls of selling online.

Employ a skilled regional manager/merchandiser/partner to take care of the day to day admin/management of the stores, including expansion, allowing more time, resources for design/marketing/branding which will strengthen the brand, and open possibilities for expansion and possibly wholesaling.

Improve on, and speed up stock monitoring/sell through data by installing a computerised stock control system to accurately determine the success of particular ranges/styles/prints etc.

Another possibility would be for the owner to work in the stores a day or two per week, thereby reducing staff overheads, while building more customer confidence and trust etc.

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

The business employs a manageress in each store.

There are three staff who rotate (creating their own schedules) during the week, and one staff who works only weekends.

All staff have been employed for 5-15 years or more. Some seasonal staff (often university students) return seasonally as sales staff over busy periods.

All managing staff deal with customers on a daily basis and maintain the stores in terms of general shop admin, stock movements, consignment stock (which is limited to 2-3 suppliers of accessories), general cleaning, basic merchandising, processing/marketing in of new stock deliveries, etc.

Do any have management potential?

All their staff manage the stores, bearing in mind the nature of their business is fairly relaxed.

Training would be required should new systems be implemented, or further duties required beyond what has been mentioned.

How involved is the Owner in running the business?

All stores are managed by full-time employees/manageresses.

However all stock purchases, designing, production, seasonal merchandising in stores, as well as various admin functions are performed by the owner.

When does the current lease end?

Store One has a new lease recently signed, which expires on 31st October 2026.

Store Two is on a yearly lease, although the lease has lapsed and is currently operating on a month to month agreement which will need to be re-negotiated.

What are the trading hours?

Store One trades from 9-5pm for most of the year.

In high season, and just before Christmas, the store remains open till 6pm.

Store Two remains open from 9-5pm but trades from 9-4pm over the winter period, and remains open till 5.30pm in high season. This can change depending on how busy it is.

What are the main assets of the business?

Stock inventory - currently including clothing stock and raw materials.

Shopfittings/fixtures etc. fitted in stores.

Strengths?

A small, creative business, which is relatively easy to manage for the right person/team. It would also suit a dynamic couple who bring different skills (ie. creative + admin)

The business is adaptable, having withstood many obstacles.

The stores are well established in the south peninsula, and on a very popular tourist route which offers an unprecedented lifestyle for the owner, as well as the potential to expand with relative ease.

Authentic sales records are available going back many years.

The business was built over many years, it's owner having many years experience in the industry, having also co-owned and developed another very successful brand , as well as establishing various other boutiques, some of which were sold on.

Weaknesses?

The business now requires another skilled, and competent person to assist with overall management, which will allow for more growth, better planning/stock management, and expansion, which is currently hindering the growth of the business.

It could benefit from having better stock management systems in place to replace the current manual system. It does not yet have online representation, considered a negative in today's retail world. However, an online store is in the process of being developed.

Opportunities?

The brand is well established in the south peninsula but would benefit immensely from solidifying a very clear brand identity, and then expanding into other areas where they have a strong customer base i.e. Somerset West, Franschhoek, Hermanus and Boland areas, as well as towns on the Garden Route, Pretoria and more affluent areas of Gauteng.

The online store will greatly increase customer reach but this needs to be carefully managed to ensure the personalised service currently offered in stores is maintained in the online environment.

Threats?

The economy is the only perceived threat, however the stores have continued to perform well for the last 23 years and kept well afloat during the Covid years..

What is the reason for the sale?

Owner has recently (July 2024) moved away from the city, having purchased a house in the country. She currently travels weekly/bi-weekly to Cape Town for a few days at a time to take care of business and shop matters.

She would like to now sell the business and focus on design, art and other creative projects.

She would very much like to become a consultant in the business assisting the new owner, initially in becoming familiar with the shops and systems, and then assisting with new designs, shop layout etc.etc if needed. She also has much experience in opening new stores and would enjoy assisting a new owner with this expansion..