

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

BUSINESS REPORT

Date: **25th May 2025**

Business Reference: **37121**

About the Business:

Recently established bespoke cosmetics e-commerce site

This online store supplies raw ingredients to clients wanting to prepare their own cosmetic products. The store was setup less than a year ago. Opportunity for someone to grow this into a big business in the lucrative cosmetics industry.

Recently established bespoke cosmetics e-commerce site



Sector: **Retail**

Asking Price:

R **95,000**

Monthly Profit:

R **1,236**

Asset Value:

R **170,000**

Stock Value:

R **40,000**

Yearly Net Profit :

R **2,471**



Business Report

Fully describe the business's activities?

This is a beautifully established bespoke online store selling cosmetic ingredients. This company is dedicated to supporting smaller-scale cosmetic formulators throughout their skin care development journey. They offer a curated selection of high-quality, cruelty-free cosmetic ingredients, including actives, emollients, emulsifiers, gelling agents, humectants, oils, preservatives, solubilisers and surfactants. These ingredients are available in flexible sizes to accommodate various stages of formulation. The company emphasizes sustainability by providing eco-friendly packaging and ensuring that all products are never tested on animals. Their mission is to empower formulators to create products that are both effective and ethically produced.

How does the business operate on a daily basis?

The online store receives orders via their website/e-commerce site. These orders are then fulfilled and dispatched via Postnet / courier around the country. There is a real focus on client service and quick-turnaround times.

What Advertising/Marketing is carried out?

At this stage, no paid advertising has been done.

What competition exists?

There are competitors in this space but only a couple focus on more specialised ingredients.

How could the profitability of the business be improved?

A focus on driving social media ads and well as running Google Ad words.
The new owner should also look to increase the product range slightly to make the offering more-rounded.

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

As per above

Do any have management potential?

n/a

How involved is the Owner in running the business?

The owner has been central to setting up the business but does not have the time to grow the business to its full potential. This business currently only needs one person to fulfil orders and drive marketing efforts.

When does the current lease end?

The business is currently being run from the owners home.

What are the trading hours?

Monday - Friday 8h00 to 16h00

What are the main assets of the business?

E-commerce site and stock (which includes cosmetic ingredients, packaging, printed labels and weighing scales)

Strengths?

All of the hard work has been done - professional branding has been done through an agency to ensure consistency of brand on all platforms. All branding guidelines and images are included in the sale.

The website has been well-designed and is beautifully laid out. Great feedback has been received from existing customers on the website look & feel, ease of navigation and most importantly the quality of the ingredients - reviews have been left on social media platforms as well as the website.

Full product catalogue set-up on WhatsApp.

This really is a great opportunity to plug into a niche market and grow this business within the ever-growing beauty industry.

Clients also know this business will do their best to assist with queries and endeavour to source the more "hard to find" ingredients at reasonable prices.

Low fixed expenses and the business can be run from anywhere.

Competitive pricing for quality ingredients.

Access to a formulators' WhatsApp group with over 100 members.

Existing relationships with the relevant suppliers from which to buy stock.

The business currently stocks a product that no other competitor carries.

Weaknesses?

Business is still young with very little trading history.
No marketing done.

Opportunities?

Expand product range.
Drive social media ads as well as Google ad words to create awareness and drive traffic to the website.
Provide superior client service and be willing to assist clients with queries and finding ingredients.
Post regular blogs on the website as Google wants to see fresh content (a full library of blogs has been composed and ready for posting).
Sourcing the more "hard to find" ingredients.
Become an affiliated supplier with formulating schools / courses.
Paid ads on relevant Facebook pages which focus on skincare, etc.
The beauty industry is ever-growing - Consumers are becoming a lot more aware of what ingredients are going into their skincare and cosmetic, and in turn are looking to formulate their own skincare. Many others are formulating to create skincare brands.
Could potentially focus on ingredients for soap and candle making as well as perfumes.

Threats?

The economy is under pressure and so formulators are price conscious. Having said that, people are setting up side-hustles especially within the beauty industry.

What is the reason for the sale?

The owner has an executive position in corporate and started this business on the side. The owner sadly does not have the capacity to grow the business to its full potential and give it the necessary attention.