



Date: **3rd March 2025**

Business Reference: **37193**

About the Business:

Profitable Panel Beating Franchise for Sale – Franchise model

This profitable panel beating business, part of a well-known franchise, offers steady revenue from insurance contracts and a loyal customer base. With a proven business model, ongoing franchisor support, and strong growth potential, this is an excellent opportunity for an investor or owner-operator looking to step into a successful and established business.

Profitable Panel Beating Franchise for Sale – Franchise model



Sector: **Services**

Asking Price:

R 9,950,000

Monthly Profit:

R 330,825

Asset Value:

R 1,918,275

Stock Value:

R 0

Yearly Net Profit :

R 3,969,899



Business Report

Fully describe the business's activities?

This business operates as part of a well-established and reputable franchise, specializing in automotive body repairs and refinishing services.

With an average of 120 vehicles repaired per month, the business has built a strong customer base and continues to deliver high-quality workmanship and efficient turnaround times.

Customer satisfaction is a key focus, as reflected in the Lightstone CSI (Customer Satisfaction Index) scores, where this branch consistently outperforms the broader franchise network across all measured categories. Due to its exceptional operational performance and customer service standards, the business is recognized as one of the top-performing branches within the group.

By maintaining high service standards, operational efficiency, and strong customer relationships, the business continues to grow, making it a highly successful and competitive player in the auto body repair industry.

How does the business operate on a daily basis?

This automotive body repair business follows a structured workflow to ensure efficiency and quality service:

1. Customer Service & Job Intake – Vehicles are assessed, quotations are provided, and insurance claims are processed.
2. Vehicle Inspection & Estimation – Damage assessments are conducted, repair costs are estimated, and approvals are secured.
3. Repair Workflow – Includes disassembly, panel beating, spray painting, and reassembly with strict quality checks.
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4. Quality Assurance & Final Checks – Vehicles undergo detailed inspections, road tests (if needed), and final cleaning.
5. Customer Handover & Payment Processing – Clients are updated, final walkthroughs are conducted, and payments are processed.
6. Administrative & Management Tasks – Scheduling, stock management, staff supervision, and financial tracking.
7. Franchisor collaboration ensures brand compliance, support access, and marketing leverage.

This streamlined process ensures high efficiency, customer satisfaction, and profitability, positioning the business as a top performer in its network.

What Advertising/Marketing is carried out?

All advertising and marketing for this business are handled by the franchisor, ensuring a consistent brand presence across all locations. The franchisor manages national marketing campaigns, including digital advertising, social media, and partnerships with insurance companies. Additionally, the franchisor's strong relationships with insurers generate a steady flow of work, eliminating the need for local marketing efforts by individual branches. As a result, this business benefits from centralized marketing support without requiring direct investment in advertising.

What competition exists?

The panel beating industry in South Africa is highly competitive and includes:

1. Independent Panel Beaters – Small businesses competing on price and personalized service.
2. Franchise Networks – Established brands with strong insurance relationships and standardized services.
3. Insurance-approved Networks – Panel beaters approved by insurers for claims work, based on service standards.
4. Mobile Panel Beaters – Offering on-site repairs for smaller jobs, appealing to customers seeking convenience.

Key competitive factors include pricing, quality, turnaround time, and brand recognition, with franchises benefiting from insurance contracts and consistent service standards.

How could the profitability of the business be improved?

While the business primarily relies on insurance work, actively targeting private customers with competitive pricing and attractive packages can help establish a stable income stream beyond insurance claims, by doing the following:

1. Increase Owner Involvement
2. Boost Marketing Efforts.
3. Upsell and Cross-Sell.
4. Own work..
5. Leverage Seasonal Trends.

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

- 1 x Manager
- 1 x Reception
- 1 x Admin/costing/invoicing
- 1 x Client liason
- 1 x Workshop foreman
- 2 x Panel beaters
- 1 x Spray painters
- 1 x Primer and bumper repairer
- 3 x Flatters
- 2 x Paint preparers
- 2 x Assemblers
- 1 x Polisher
- 1 x Quality control
- 1 x Driver
- 2 x Car washers
- 1 x Cleaner

How involved is the Owner in running the business?

The business is manager-run, with the owner handling salaries, supplier relations, and payments. The owner maintains a high-level oversight role and intervenes only when necessary.

When does the current lease end?

There is no existing lease term as the owner owns the premises. A lease agreement with a renewal period will be established with the buyer, with a one-month rental deposit, surety, and utility deposits required. Rent escalation will be market-related, and the seller is open to granting the buyer the first right of refusal on purchasing the property.

What are the trading hours?

Monday to Friday 7:30am to 5:00pm.

What are the main assets of the business?

The main assets of the business include its repair equipment, franchise rights, lease agreement, inventory, established insurance relationships, skilled workforce, and customer base, all of which contribute to its operational success and profitability.

Strengths?

The business is strong due to its established franchise network, steady stream of insurance work, skilled workforce, and long-term reputation for quality. The ongoing support from the franchisor, well-maintained equipment, and loyal customer base further contribute to its stability and growth.

Weaknesses?

The business's weaknesses include dependency on insurance work, limited marketing, high operating costs, and vulnerability to economic fluctuations. Additionally, there could be challenges with staff retention, seasonal demand, and a lack of service diversification.

Opportunities?

Opportunities for the business include expanding private customer work, introducing new services, leveraging online marketing, and establishing corporate partnerships. Additionally, the business could explore new locations, and franchise expansion to increase revenue and market share.

Threats?

The business faces threats from strong competition, economic downturns, rising operational costs, and labour shortages. Additionally, insurance industry changes and dependence on franchisor decisions pose potential risks to its stability and growth.

What is the reason for the sale?

The owner is approaching retirement and plans to semi-migrate to Cape Town. Despite being manager-run, this type of business requires hands-on oversight and cannot be effectively managed remotely from Cape Town.