



# BUSINESS REPORT

Date: **21st August 2025**

Business Reference: **37444**

About the Business:

## **Profitable butchery near Taxi rank for sale**

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Franchise butchery operating for 6 years. profitable and options to supply to the bulk market. Regular client base. Good location in Mall.

# Profitable butchery near Taxi rank for sale



Sector: Food

Asking Price:

R 5,500,000

Monthly Profit:

R 119,386

Asset Value:

R 6,700,000

Stock Value:

R 1,488,000

Yearly Net Profit :

R 1,432,630



# Business Report

## Fully describe the business's activities?

This is a Retail Chicken and Meat Franchise is a rapidly growing butchery and grocery chain targeting low- to mid-income communities. The reliable Franchisor was Founded in 1987, it now hosts over 90 outlets nationwide, offering fresh and frozen chicken, fish, red and processed meats, packaged foods, specials, and convenient, affordable shopping

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

The shop runs from 07h00 to 19h00 serving over 1000 walk-in customers daily. The operation follows a structured routine:

Stock procurement and replenishment - ensuring fresh meat, chicken, dairy, bakery, processed meats, snacks, vegetables and hot foods are consistently available

Peak-hour management: Handling high foot traffic efficiently, especially during grant payout days

Daily cash-ups & profitability tracking: Leveraging an online management system to monitor sales, stock levels and gross profit.

## What Advertising/Marketing is carried out?

National TV and radio advertising, controlled by the franchisor

Month-end pamphlet distribution, both national and store-customized via Facebook

Mid-month digital campaigns, enhancing visibility online

In-store promotions, customised by each store and communicated via SMS marketing, allowing direct engagement with loyal customers ..

## What competition exists?

The store competes with major national retailers like Boxer, Spar, Shoprite, Pick n Pay and Roots which have all been in the Mall for longer than 2 years. The one competitor focus on the same product offering as this business. The rest have a much wider product range and although dominant they serve as a barrier for further competitors.

The shop maintains a competitive edge based on : Convenience ie being near to transport hubs and informal traders which promotes easy access for daily shoppers and Flexibility in pricing and promotions ensuring relevance to customer needs at key purchasing periods enhanced by our growing Stokvel Membership.

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

The business need to increase sales and profit margins

Braai and Go Revenue Growth: Based on industry benchmarks, a Braai and Go setup could increase turnover by 15 - 20% driven by higher foot traffic and impulse purchases. This could add R450000 to R600000 per month

Vegetable Supply Optimization: Partnering with local farmers for cheaper, fresher products can improve margins and Bakery Expansion by Collaborating with local bakeries to increase product range and attract more customers. Vegetable & Bakery Expansion due to improved sourcing and variety could increase basket size by 5-10% adding R150000-R300000 per month

Hot Food menu Growth: Expanding ready-to-eat meals can increase average spend per customer.

Increasing Stokvel Card/Membership from 10000 to 30000 could boost repeat business and direct marketing effectiveness.

Creating a database of Hawkers, old age homes, schools, guesthouses, funeral parlors and offering them bulk deals

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

Staffing Structure – Management-Run Operation

■ Leadership: Store Manager(4yr) Assistant Store Manager(4yr), Head of Marketing(4yr)

■ Retail & Packaging: Cashiers, merchandisers, deli & hot foods staff, frozen packaging & woks manufacturing teams.

■ Security: Outsourced security company with 5 personnel securing the premises.

■ Administrative & Operational Support: Admin clerk, financial systems, time attendance & stock control.

A detailed list of the staff will be provided to an approved buyer

## Do any have management potential?

### Comprehensive Management Potential Summary

The leadership team is built on strong experience, adaptability, and well-rounded operational expertise. Each key member has demonstrated growth, resilience, and versatility, ensuring smooth store operations while maintaining customer satisfaction and financial stability.

**Store Manager---** Highly experienced in food retail, overseeing butchery, perishables, hot foods, stock control, merchandising, and cashier management.

- Operates independently, achieving financial targets and ensuring seamless day-to-day operations.
- Hands-on problem solver, capable of equipment maintenance to minimize repair costs.

### Assistant Manager

- Progressed through various roles, gaining security, product management, and operational expertise.
- Ensures the store runs smoothly when the manager is absent, acting as key holder and maintaining health and safety standards.
- Proven adaptability and leadership, keeping operations stable during transitions.

### Head of Marketing & Administration

- Naturally confident and outgoing, excelling in in-store promotions, announcements, and radio advertising.
- Oversees key administrative tasks, including daily reconciliations, wages administration, shift planning, and stock control.
- Balances front-facing marketing with back-office efficiency, making her a crucial pillar in the business.

### Admin Clerk in Training

- Resilient career progression, moving from cashier to cleaner, packaging, fruit & veg, deli service, and back to cashier before settling in administration.
- Now capable of handling most administrative functions independently.
- Works closely with the Head of Marketing, shadowing the managers and stepping in as a cashier during peak times.

### Overall Leadership Strength

Our management team showcases deep industry knowledge, operational efficiency, financial control, and customer engagement expertise. Each individual has grown into their role through hard work, adaptability, and strategic leadership. Their ability to support one another, step into different roles, and maintain store performance reflects a stable and capable team positioned for sustained business success.

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

### Very limited hands on involvement

- Confirms stock purchases and supplier payments, ensuring financial stability.
- Monitors store operations remotely through an online management system, accessing key reports on daily cash-ups, departmental sales, and gross profits.
- Utilizes online surveillance facilities to monitor any part of the store, reinforcing security and operational efficiency.
- Visits the store once a week on Thursdays for an overall inspection, focusing on cleanliness, organization, and business standards.

## When does the current lease end?

The lease is held by the Franchisor and sub leased to the business. The lease expires at the end of Oct 26

## What are the trading hours?

Mon to Saturday 07h00 to 19h00  
Sunday 07h00 to 16h00

## What are the main assets of the business?

Operational Infrastructure & Assets (Valued at R6,7 Million+)

▮ Retail & POS Systems – Shelving for groceries, 7 tills, parcel counter, alarm system, and PS system for seamless transactions.

▮ Advanced Cold Storage – Walk-in freezer, meat chiller, beverage cooling fridges, island freezers, ensuring product freshness and minimizing waste.

▮ Food Preparation & Processing – Butchery equipment, wrapper machines, biltong drier, scales, soft-serve machine, hot foods equipment, microwave for diverse product offerings.

▮ Technology & Security – Office automation, software, computers & server, time attendance system, cameras, and outsourced security team ensure efficient operations.

▮ Reliable Backup Power – High-capacity generator, preventing downtime during load shedding, keeping freezers and tills operational.

A full list will be provided

## Strengths?

In a large mall with many national tenants. Prime location outside the mall near a busy taxi rank and hawker market

Established brand as a Franchise . The business benefit from brand recognition, supplier networks and operational support

Generator backup. Strong barrier to entry for any new competitive businesses (6 years)

Loyal established customer base

## Weaknesses?

Proximity to Strong Competitors. Limited Grocery Market Share

External location may affect impulse purchases compared to stores inside the mall

## Opportunities?

Leverage the small business market offering hawkers, schools, old age homes, funeral parlors, guest houses, restaurants bulk discounts. Setting up a Braai and Go Concept (Placing a container at the front of the shop)

Doubling or tripling the Stokvel Membership of loyal customers

Expanding the Hot Foods, Bakery and Vegetable offering. Sourcing product direct from the farmer

## Threats?

Economic and Macro Challenges which affect prices and supply of product such as inflation, diseases(foot and mouth, bird flu)  
Power Failures

## What is the reason for the sale?

The current owner operates a rapidly expanding business in Krugersdorp, requiring intensive oversight and strategic input. Managing the Mamelodi business demands 2 to 3 hours of travel daily, limiting the ability to scale both operations effectively. To unlock the full growth potential, the owner seeks a buyer who can drive expansion, maximize profitability, and scale the business further.