



BUSINESS REPORT

Date: **3rd July 2025**

Business Reference: **36552**

About the Business:

Commercial Laundry - Cape Town

They cater to businesses such as guesthouses, hotels, restaurants, and corporate clients that require large-scale, reliable laundry solutions. They also offer the cleaning of textiles and possibly uniforms, linens, and other fabric-based items. They have a Business-to-Business Focus with a location and setup that suggest a focus on servicing the broader hospitality and industrial sectors in the Southern Suburbs and Cape Flats region. They have contracts with many upscale 5 star hotels, restaurants, spas and other

Commercial Laundry - Cape Town



Sector: **Services**

Asking Price:

R 5,000,000

Monthly Profit:

R 152,635

Asset Value:

R 4,535,500

Stock Value:

R 575,000

Yearly Net Profit :

R 1,831,620



Business Report

Fully describe the business's activities?

The business picks up laundry daily from their clients, process the laundry in an industrial size factory and delivers it back to the clients.

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They have contracts with many upscale 5 star hotels, restaurants, spas and other similar businesses.

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How does the business operate on a daily basis?

The business picks up laundry daily from their clients, process the laundry in an industrial size factory and delivers it back to the clients.

How could the profitability of the business be improved?

1. Optimize Operational Efficiency

Energy & Water Savings: Invest in energy-efficient systems that can lower the utility costs.

Bulk Purchasing: Negotiate better rates for detergents and supplies through bulk buying.

Maintenance Scheduling: Prevent downtime with regular equipment maintenance

2. Expand Service Offerings

Pickup & Delivery Services: Add more convenience for clients and attract new business.

Specialized Cleaning: Offer niche services like linen sterilization for medical or spa clients.

Subscription Packages: Create monthly service plans for regular clients to ensure steady cash flow.

3. Target New Markets

Hospitality Sector: Partner with more guesthouses, B&Bs, and boutique hotels in the Cape Town and surrounding areas.

Event Venues: Offer post-event textile cleaning for wedding venues and conference centers.

Corporate Clients: Provide uniform cleaning for schools, security firms, and logistics companies.

4. Improve Digital Presence

Online Booking System: Make it easy for clients to schedule pickups and deliveries.

SEO & Local Ads: Use Google Ads and local SEO to attract nearby businesses.

Customer Reviews: Encourage satisfied clients to leave reviews to build trust and visibility.

5. Upsell & Cross-Sell

Add-On Services: Offer ironing, folding, or express service at a premium.

Retail Products: Sell branded laundry bags, eco-friendly detergents, or fabric softeners.

6. Staff Training & Incentives

Efficiency Training: Train staff to reduce turnaround time and improve quality.

Incentive Programs: Reward employees for meeting productivity or customer satisfaction goals.

7. Infrastructure Expansion

Open a second site in which certain types of laundry can be done

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

Floor staff - work on the production floor / roughly 25 - varies with workload

Drivers - 5

Factory Manager

Despatch/Maintenance Manager

Human resources/training Manager

Administration / customer services Manager

Do any have management potential?

Yes - The owner has incorporated ISO 9001 into the culture and management system and the managers are learning to run the business on this structure/ very stable

How involved is the Owner in running the business?

At the moment the owner oversee everything, however the more ISO 9001 is implemented and the systems built for the managers to run the more the owner can move away from the business

What are the main assets of the business?

55KG GRANDIMPIANTI WASHING MACHINE HIGH SPEED
30KW SOLAR SYSTEM/6 X HUBBLE BATTERIES/3 X LUXPOWER INVERTORS/ - 650K
3 METER RENZACCI ROLLER IRONER OIL HEATED NEW
3 METER GRANDIMPIANTI ROLLER IRONER
28KG TOLON DRYERS NEW
24KG GRANDIMPIANTI WASHING MACHINE LOW SPEED
24KG GRANDIMPIANTI DRYERS
18 KG PRIMUS WASHING MACHINE
NISSAN NP 200
24KG GRANDIMPIANTI WASHING MACHINE HIGH SPEED
24KG PRIMUS DRYERS
DESKS,CHAIRS, CABINETS AND TABLES – COUNT IN , PACK , OFFICE, ETC

Strengths?

Strengths

Strategic Location: It benefits from proximity to both residential and commercial clients in the area and surrounding areas.

Specialized Services: Focus on commercial laundry services may attract business clients such as hotels, restaurants, and healthcare facilities.

Online Presence: Has a dedicated website which can help with customer engagement and service visibility.

Extended Operating Hours: Reportedly open until late (11:59 PM), which is convenient for clients with non-standard schedules

Weaknesses?

Weaknesses

Limited Online Reviews: Minimal customer feedback online may indicate low digital engagement or limited brand awareness.

Niche Market: Focusing primarily on commercial laundry might limit the customer base if not diversified.

Dependence on Local Market: Business may be vulnerable to local economic fluctuations or competition.

Opportunities?

Opportunities

Partnerships with Local Businesses: Potential to form contracts with nearby hotels, guesthouses, and restaurants for regular laundry services.

Eco-Friendly Services: Introducing sustainable practices (e.g., water-saving machines, biodegradable detergents) could attract environmentally conscious clients.

Digital Marketing Expansion: Leveraging social media and online advertising could increase visibility and customer acquisition.

Threats?

Threats

Competition: Other laundromats and dry cleaners in Cape Town may offer similar services, possibly at lower prices.

Load Shedding: Frequent power outages in South Africa could disrupt operations unless backup systems are in place.

Economic Instability: Rising operational costs (e.g., water, electricity, labor) could affect profitability.

What is the reason for the sale?

The owner is a serial entrepreneur so once a business is established and doing well he generally wants to sell the business and move on.