

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

BUSINESS REPORT

Date: **8th July 2025**

Business Reference: **37470**

About the Business:

Motor spares business in Mpumalanga

This is an established and reputable operation, offering a great opportunity for a new owner to expand on its strong foundation.

Motor spares business in Mpumalanga



Sector: **Retail**

Asking Price:

R **1,200,000**

Monthly Profit:

R **53,287**

Asset Value:

R 73,000

Stock Value:

R 550,000

Yearly Net Profit :

R 639,444



Business Report

Fully describe the business's activities?

This is a well-established retail business specialising in the sale of automotive parts and accessories. The product range includes engine components, suspension systems, body parts, electrical and cooling system parts. The shop services local vehicle owners, panel beaters, and small workshops in the region. The business maintains strong supplier relationships with 30-day account terms, and offers reliable service and consistent product availability. It has built a strong reputation for professionalism and stock variety over 13 years of operation.

How does the business operate on a daily basis?

The business opens six days a week, from 8:00am to 5:00pm. It is run solely by the owner, who manages sales, stock ordering, supplier accounts, and customer service. Stock is regularly replenished through well-established supplier accounts with 30-day credit terms. Customers walk in to purchase parts and receive assistance with vehicle component selection. The business maintains consistent stock levels to meet daily customer needs efficiently.

What Advertising/Marketing is carried out?

The business has relied primarily on organic marketing through customer referrals, loyalty, and consistent service. There is no formal digital marketing strategy currently in place, offering a growth opportunity for a future buyer to expand visibility online or through targeted advertising, social media platforms, and WhatsApp.

What competition exists?

There are 3 other local auto parts stores, although personalised service, advice, and reliability gives this business the edge.

How could the profitability of the business be improved?

Profitability can be improved by expanding product range based on customer demand, negotiating better pricing with suppliers, introducing an online sales and delivery service, and increasing targeted marketing to attract more walk-ins and mechanical clients.

How involved is the Owner in running the business?

The seller works alone and is 100% involved in all functions of the business.

When does the current lease end?

The current lease expires in 2027.

What are the trading hours?

The business trades from 8am to 5pm from Monday to Saturday. Sundays are closed.

What are the main assets of the business?

The main assets include, display shelving, counters, computer and office equipment.

Strengths?

Established customer base: A loyal and repeat customer following has been built over the years, contributing to consistent sales.

Prime location: Situated on a high-traffic road with excellent visibility, attracting both new and walk-in customers.

Consistent cash flow: The business enjoys reliable, predominantly cash-based income, offering financial stability.

Strong supplier network: Long-standing relationships with reputable suppliers ensure a broad variety of stock and competitive pricing.

Weaknesses?

Limited online presence: The lack of digital marketing or e-commerce limits potential reach and revenue.

Delivery service: The business does not provide a delivery service.

Opportunities?

Launch online sales & delivery: Introducing an e-commerce platform and local delivery service could significantly expand the customer base.

Partnerships with workshops and fleets: Collaborating with local mechanics, workshops, and fleet operators could secure bulk or repeat orders.

Expand product range: Offering complementary products like car accessories, tools, or consumables could boost average transaction value.

Local advertising and improved signage: Enhanced signage and targeted marketing in the surrounding area could increase foot traffic and brand visibility.

Threats?

Economic pressures: A downturn in the economy could reduce discretionary spending on vehicle maintenance and repairs.

Rising operating costs: Increasing supplier prices and fluctuating fuel costs may impact profitability.

What is the reason for the sale?

After many successful and fulfilling years in the business, the owner has decided to embark on a new chapter focused on personal growth and long-term lifestyle goals. This is a profitable and well-established operation, presenting an excellent opportunity for a new owner to build on its solid foundation.