

business
for sale



Date: **4th August 2020**

Business Reference: **25951**

About the Business:

Profitable Butchery , Prime Location & Repetitive Retail And Wholesale Clients Base Lowveld

A well established profitable butchery know for its quality ad service in the flourishing Lowveld with long standing client base, owner looking to retire

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Sector: **Food**

Asking Price:

R **4,800,000**

Monthly Profit:

R **127,910**

Asset Value:

R **600,000**

Stock Value:

R **0**

Yearly Net Profit :

R **1,534,923**



Business Report

Fully describe the business's activities?

The business is a successfully long established family butchery that supplies quality fresh meat, chicken, fish, lamb, cold cuts, preservatives, wood, charcoal, fresh veg and frozen products all available directly to the public from the premises. The business also has a big market of supply chain to all the restaurant, lodges and hotels in the area and supplies wholesale to this hospitality industry. It operates from a hygienic, stylish retail premises and is conveniently centrally situated to service both these markets. The butchery offers a timorous delivery service of its product to the hospitality clientele and some of its public clientele on request. The butchery has a following of clientele due to its long establishment and reputation for quality grade cuts of meat along with its renowned delicious bolting which is prepared on site. During hunting season the butchery provides the service of working the hunter's game carcasses for them and breaking it down into various cuts. During this hunting season the business is exceptionally busy with the working of the game carcasses.

How does the business operate on a daily basis?

The business operates on a daily basis by the owner ordering in as and when required fresh carcass of beef and lamb. Froze chicken and fish are also stocked. Local farmers sell their produce to the butchery who offers it for sale in store. Fresh meats are also ordered from out of town supplies and delivered weekly. When the carcass and cuts arrive they are received by weighing them in as they are purchased by weight and sold by weight so this is fundamental to the costing's of the product. It is important not to waste any part of the carcass so it is all utilized in many different ways. The carcass are then stripped down into various cuts and placed into the display fridges for retail purchase or prepared to specification into different gram age portions, stews and Boerawors for private clients or restaurants, hotels, lodges, old age homes and hospitals. Certain clients phone in their orders either for collection or delivery. The careful procurement of biltong is of utmost importance to the business as it has a following of clientele for this product. Certain less popular cuts of meats like trip, tongue and afval are pre packed and frozen for shelf life. The other products are ordered from various other suppliers and are displayed in the butchery for retail sale. The business also has 2 spit braais which it hires out for special occasions and also supplies the meat and marinades on request.

What Advertising/Marketing is carried out?

The business advertises on radio Laeveld and in the local newspaper. The business also from time to time offers sponsorships to the Churches and schools.

What competition exists?

There is and has been over the years and will continue to be other competitors and suppliers of the same product such as Spars, checker and Pick and pay, however none of them offer the same personalized attentive service as that of the business. This competition however has never bothered or hindered the business operations as it continues to flourish, maintain and retain its valuable clientele.

How could the profitability of the business be improved?

The profitability of the business could be improved by more aggressive advertising and marketing and use of the internet to send specials by mail to clients.

Do any have management potential?

Yes, there are 2 staff members who display additional initiative which may lead to management potential.

How involved is the Owner in running the business?

The 2 owners are very involved in the day to day running of the business.

When does the current lease end?

One of the owners of the business is the owner of the premises and the business currently operates on a month to month agreement .The owner is open for discussion to a potential qualified buyer to make application for a 3-5 year lease period for the business or the option to purchase the premises is also available on request if so desired.

What are the trading hours?

The trading hours are from Monday to Friday 8:00 to 18:00, Saturdays 8:00 to 13:00 and closed on Sundays.

What are the main assets of the business?

The main assets of the business are its walk in cold rooms, its display and upright fridges and its freezers. the band saws and wors milling machines and biltong dryer.It has a point of sales system and scales .then there is office equipment , desk , chairs , computer , scanner

Strengths?

The strengths of the business lays attribute to its long establishment and familiarization within the local community, the quality of its product, the ongoing support and repeat business it enjoys from its local walk in and hospitality clients and its delicious biltong. The butchery has been in the area for 18 years and offers personal attention to detail when attending to all its clients requirements, this has over the years provided the solid client base from which the business now pivots. The business also has 2 spit braais which are well utilized by the locals when they have reason for celebration. The business also offers a delivery service to the hospitality industry of which it has a large client base. During the hunting season the business has adequate cold storage to keep the hunters game stored and refrigerated until they have time to work and prepack it into various cuts as requested by the hunters. The butchery operates under strict hygienic conditions and is tastefully decorated and fully stocked with a large variety of specialties which all make for a good home braai which is an attraction to the walk in clients. The butchery as an added enticement also sells farm fresh chicken and a selection of frozen fish.

Weaknesses?

The current weakness of the business is the owner's health.

Opportunities?

The opportunity of business to grow will rest with an active owner who is prepared to invest in advertising and marketing and target other lines which the restaurants that currently buy from the butchery use daily such as eggs, cheese, bacon, bulk chicken etc. the business can also expand by introducing a deli and a small bakery division within the butchery. The biggest factor why the owner has not pursued this avenue aggressively is due to his ill health and his son who assist him in the business has expressed his continuous need to explore his music career.

Threats?

The business has over the years had to deal with its competitors selling meat at discounted prices to gain market share, however quality may be compromised and this is where the business enjoys a benefit as they are known for their quality of product and personalised service, so there has been no threat to the business in this respect. The only perceived threat is the owners' health.

What is the reason for the sale?

The reason for the sale is the owner's son has continuously indicated that he wishes to pursue his own dreams of a ministry and music career and the business is just too busy for the owner to manage by himself due to his health, so he has decided this will be the opportune time to retire.