



BUSINESS REPORT

Date: **14th August 2025**

Business Reference: **37448**

About the Business:

An opportunity to own not one, but TWO multi-category retail stores with a legacy of over 30 years!

Specialising in a broad product mix including stationery, hardware, homeware, toys, groceries, and confectionery, these stores offer a true one-stop shopping experience and provide variety, value and convenience. They have built strong reputations and loyal customer bases. Both stores are well located in

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Sector: **Retail**

Asking Price:

R 1,900,000

Monthly Profit:

R 146,749

Asset Value:

R 1,005,000

Stock Value:

R 3,200,000

Yearly Net Profit :

R 1,760,982



Business Report

Fully describe the business's activities?

This business comprises two well-established retail outlets. The stores cater to distinct customer bases and are strategically located to maximise foot traffic and community engagement.

- The one store is located in the central business district (CBD), benefiting from high pedestrian volumes and visibility.
- The other store is positioned in a small retail center adjacent to a school that accommodates both boarding and day students, creating consistent demand from the local community and student population

Both stores offer a wide variety of products across the following departments:

- Stationery
- Confectionery
- Hardware
- Groceries
- Cosmetics
- Toys
- Homeware
- Detergents & Cleaning Supplies
- Tobacco

The product mix in each store is tailored to suit its specific customer base. The one store features an on-site reverse osmosis plant, allowing customers to refill their containers with purified water. Its leading department in terms of turnover is Confectionery, which enjoys a strong and steady demand.

The outlet in the CBD is equipped with two in-store ATMs, one of which is self-stocked by the business. This reduces banking fees and eliminates the risks and costs associated with daily cash deposits. Stationery is the top-performing category in this location, driven by demand from local schools, offices and other businesses.

Both stores also offer:

- Airtime sales
- Customer accounts for trusted clients, including schools and local businesses
- A strong and loyal repeat customer base

These operations are designed to deliver consistent daily turnover, capitalise on community needs, and maintain diversified income streams across multiple product categories.

How does the business operate on a daily basis?

The business operates through two busy retail outlets that cater to both walk-in customers and account clients. Each day, the stores experience a steady flow of foot traffic from local residents, students, and business clients who rely on the stores for a wide range of everyday goods.

Sales Transactions:

Sales are processed at the in-store cash points where customers can pay using various methods, including cash, debit/credit cards, and electronic funds transfers (EFT). The stores are equipped to handle high transaction volumes efficiently, ensuring quick service and minimal queuing.

Account Customers and Deliveries:

In addition to walk-in retail sales, the business maintains accounts for selected schools, businesses, and other trusted clients. These customers typically place bulk orders, which are prepared and delivered directly by the store. This delivery service adds a layer of convenience for larger clients and strengthens long-term business relationships.

Stock Management and Supply Chain:

The stores source inventory from a variety of suppliers. Most stock is delivered directly to the stores, ensuring timely restocking of fast-moving items. In some cases, store personnel collect goods from suppliers, particularly when dealing with smaller orders, urgent replenishments, or local vendors.

Inventory Control and Merchandising:

Stock is carefully managed to align with seasonal trends and customer demand. Staff members are responsible for unpacking, pricing, and shelving new stock, as well as maintaining clean and organised displays to enhance the shopping experience.

Overall, the daily operations are designed for efficiency, flexibility, and strong customer service—catering to both high-volume retail activity and personalised account-based business.

What Advertising/Marketing is carried out?

The business primarily relies on flyers and social media to promote its products and specials. Additional marketing includes advertisements on a local radio station and monthly discussions or promotions aligned with seasonal trends to further engage the target audience.

What competition exists?

Competition is all around. All grocery stores, supermarkets are competition.

How could the profitability of the business be improved?

A reverse osmosis plant is available on-site, allowing customers to fill their own containers with purified water. Currently, bottled water is purchased from a supplier and resold; utilising the plant to fill bottles in-store would significantly improve profit margins. This bottled water should ideally be sold at both locations.

Marketing efforts should be expanded and enhanced, with a focus on advertising in local publications and increasing engagement through social media platforms. Additionally, visiting schools to promote products and services could help boost turnover.

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

The staff complement is made up of a manager, a supervisor, two merchandisers, a driver/merchandiser and six cashiers.

The manager has responsibilities over both stores, and manages all aspects of the business in the absence of the owner, including buying and store housekeeping, logs overtime and leave. Receives stock onto the back-office system. Full access to back-office system.

The cashiers are responsible for point of sales, cleaning, cash ups etc.

Merchandisers - Assist customers, off load deliveries, place orders, pack shelves, price labeling.

Driver/merchandiser - purchases where stock is collected, delivers goods to customers.

Do any have management potential?

The Manager is fully capable of running both stores.

The Supervisor, has great management potential and is continuously developing in this role.

How involved is the Owner in running the business?

Owner is fully involved in running the business.

When does the current lease end?

The one lease expires in December 2025, and the other in November 2027. New lease agreements will be negotiated with the landlords.

What are the trading hours?

The CBD store operates from 8:30 to 17:30 Monday to Friday and 9:00 to 14:00 on Saturdays.

The other store opens at 6:30 during weekdays

Hours are extended as customer activity requires. Public Holidays and Sundays are traded when required.

What are the main assets of the business?

Fittings, shelving etc

Furniture

Generator

Inverter with Lithium Iron Battery

UPS Mecer

Quantum Panel van

Computers, point of sale, scanners, printers

DVRS X 2,16 channel, approx 40 cameras

Monitors for cameras

Strengths?

- **Strategic Locations:** One store benefits from high foot traffic in the central business district (CBD), while the other capitalises on consistent demand near a school, catering to both boarding and day students.
- **Well-Established Retail Presence:** Both outlets are long-standing and well-integrated into their respective communities, with loyal customer bases.
- **Diverse Product Range:** A wide selection of products across multiple categories — including stationery, confectionery, hardware, groceries, and homeware — helps attract a broad customer demographic and ensures diversified income streams.
- **Tailored Offerings:** Each store's product mix is customised to suit the needs and preferences of its local clientele, enhancing relevance and sales potential.
- **In-Store ATMs:** The CBD store features two ATMs (one self-stocked), reducing banking costs and enhancing customer convenience.
- **Reverse Osmosis Plant:** In-store purified water refill service offers additional value to customers and has potential for increased profitability if expanded.
- **Customer Accounts:** Offering accounts to trusted schools and local businesses supports repeat business and long-term relationships.
- **Consistent Daily Turnover:** Regular foot traffic and loyal repeat customers ensure steady sales.

Weaknesses?

- **Limited Marketing Activities:** Current marketing efforts could be more robust; underutilisation of local media and social media platforms may limit broader customer reach.
- **Seasonal Variability:** Some product categories and store locations are sensitive to seasonal trends, such as school holidays and winter months, which can impact turnover.

Opportunities?

- **Expand Water Refill Service:** Bottle-filling from the reverse osmosis plant and selling across both stores can significantly boost profit margins.
- **Enhanced Marketing:** Targeted advertising through local media, school visits, and increased social media engagement can attract new customers and drive additional sales.
- **School Engagement:** Direct promotions and partnerships with schools can increase brand visibility and stimulate stationery sales, especially during back-to-school periods.
- **Product Expansion:** Introducing new, in-demand items or seasonal product ranges can further diversify revenue.
- **Loyalty Program or Promotions:** Implementing a rewards program or offering discounts to frequent customers could increase repeat visits and average basket size.

Threats?

- **Economic Sensitivity:** Consumer spending may fluctuate with broader economic conditions, especially in lower-income or price-sensitive markets.

What is the reason for the sale?

The owner would like to retire.