



BUSINESS REPORT

Date: **20th May 2024**

Business Reference: **36226**

About the Business:

Franchised advertising business in Mpumalanga

Work from home opportunity. Simple to run with secure income and low overheads.

Franchised advertising business in Mpumalanga



Sector: **Services**

Asking Price:

R **350,000**

Monthly Profit:

R **16,562**

Asset Value:

R **40,000**

Stock Value:

R **0**

Yearly Net Profit :

R **198,749**



Business Report

Fully describe the business's activities?

This well established franchise provides an effective and affordable advertising solution for small businesses. They sell advertising space on strategically placed LCD screens to advertisers in the Mpumalanga area.

How does the business operate on a daily basis?

This business is entirely owner run, however, it is relatively easy to operate with flexible hours in a week.

What Advertising/Marketing is carried out?

The franchise group has a great website and the business advertises on Facebook. The owners also contact potential advertisers to explain the concept and sell advertising slots.

What competition exists?

There are many different types of advertising platforms, however, this business has no direct competition.

How could the profitability of the business be improved?

With a more focused online presence and more direct marketing to clients, profitability would improve significantly.

When does the current lease end?

This is a home based business.

What are the main assets of the business?

The main assets of the business include TVs/monitor screens and computers, as well as other electronic equipment.

Strengths?

- A trending advertising medium offering cost effective solutions for many small businesses.
- This is an easy to run, work from home opportunity.
- This business enjoys a captive market and has built good relationships with clients.
- Advertisers renew consistently year after year. Approximately 70% of the current advertisers are recurring advertisers, and approximately 84% of recurring advertisers, advertise for 3 years and more.

Weaknesses?

The current owners are based a distance away, and are not as active in this franchised area as they should be.

Opportunities?

- Renewals are coming up in February/March, which will provide a new owner with good cash flow.
- There are also a number advertising slots which have not yet been filled.

Threats?

Loadshedding and general economic threats,

What is the reason for the sale?

The sellers own another two of these franchises in other areas, and would like to focus on those. The distance makes this franchise difficult for the current owners to manage.