

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

BUSINESS REPORT

Date: **17th May 2024**

Business Reference: **36542**

About the Business:

High margin, B2B Florist for sale in Cape Town

This long running (25 years) B2B Florist retains some unique as well as high profile business customers, who are very loyal, ensuring ongoing profits at a 19% Net Profit % on All Sales. Already some interested parties, so act quickly!

High margin, B2B Florist for sale in Cape Town



Sector: **Retail**

Asking Price:

R **910,000**

Monthly Profit:

R **30,454**

Asset Value:

R **227,750**

Stock Value:

R **40,000**

Yearly Net Profit :

R **365,444**



Business Report

Fully describe the business's activities?

Profitable, long established Florist with some interesting exclusive relationships with prominent Cape Town based business customers.

As this is mainly a B2B Florist, the premises are run as a workshop rather than a retail store, and therefore can be relocated in Cape Town if desired.

Very loyal and talented Staff, who know exactly how to achieve the high standards that the loyal, well paying customers deserve.

Weddings and corporate arrangements round out the Revenue base, which leads to impressive profitability.

How long has the business been established?

Coming up to 25 years.

How long has the owner had the business?

Owner bought the business in 2011, 13 years ago.

How does the business operate on a daily basis?

This Florist's workshop has a large custom built fridge, and so the Team works on the arrangements and delivering them, whilst the Owner quotes and controls payments; as well as researching and designing new arrangements - all existing designs will transfer to new Owner.

How are the clients attracted to the business?

Track record with the established customers, word of mouth and external Sales efforts by the Owner.

What Advertising/Marketing is carried out?

Mainly website - however, as this is a B2B Florist, direct approaches of similar customers is the best method to attract trial and then strengthen relationships with new business customers.

Does the business have any contract work?

Strong existing relationships, but the prominent customers are not required to sign lengthy contracts.

What competition exists?

Whilst there are several Florists in Cape Town, this business has some exclusive relationships that will not change under new ownership, provided that the existing high standards are maintained.

What are the seasonal trends?

Flowers are required year round, hence little seasonality in Revenue - however different flowers are sold in different seasons, which are easily sourced from 5 main suppliers.

Is the business VAT Registered?

Yes - VAT Statements to be provided in due diligence.

Are there up-to-date Management Accounts available?

Yes, finalised through end February 2024.

What percentage of the business is cash/credit?

Almost no cash handling in this business, as business premises is not run as a retail store, but rather a workshop for the business customers.

How could the profitability of the business be improved?

An online store / detailed order form with deposit could be implemented.

Another avenue is a subscription model, which is being successfully run in Gauteng by a different business.

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

- Permanent Florist with many years experience, who is responsible for crafting superb arrangements; and also sets them up at weddings and events etc.
- Part time staff who assist him, also very experienced
- Half time Driver for deliveries
- Quarter time Admin lady
- External Accountant

Do any have management potential?

Owner Operator is the best model to continue with.

How involved is the Owner in running the business?

Daily running the business, although not 100% presence required as staff can manage by themselves as needed.

When does the current lease end?

Lease is month to month currently - been a tenant for many years, so no risk from the Landlord, and this business can be relocated easily.

What are the trading hours?

8am to 4:30pm every weekday.

What are the main assets of the business?

Apart from the custom Refridgeration room, there is a VW Caddy and a Super Van (both fully paid off) and a generator, in addition to some normal office furniture and computers etc.

Will Seller settle or Buyer to take over?

Both vehicles are fully paid off.

Strengths?

- Loyal customers, and loyal, experienced Staff
- Many successful designs of arrangements, limiting creative risk
- Has some large, unique business customers

Weaknesses?

- Lots of competition in the Wedding space
- Slight forex exposure on imported flowers, although there are 5 main Suppliers so they keep each other in check

Opportunities?

- Create online store, and market more aggressively to Event organisers
- Create subscription model, leveraging existing delivery capabilities, for annuity income

Threats?

- Existing large customers must continue to be serviced well

What is the reason for the sale?

Owner wishes to pursue other interests, as she has held the business for 13 years, including the difficulty of the Covid period. The business is now restored to pre-Covid levels, and a fresh Owner Operator with artistic flair and a good sense for business will thrive, due to current and ongoing growth in the industries that the loyal business customers are based in, primarily tourism and events.