

A photograph of a man in a blue suit and patterned shirt standing on a city street. The background shows a building and a blue trash can. The text 'BUSINESS REPORT' is overlaid in large green letters.

# BUSINESS REPORT

Date: **20th May 2024**

Business Reference:**35130**

About the Business:

**Branded Merchandise clothing, shoes and linen**

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# Branded Merchandise clothing, shoes and linen



Sector: **Retail**

Asking Price:

R **852,500**

Monthly Profit:

R **36,104**

Asset Value:

R **0**

Stock Value:

R **995,000**

Yearly Net Profit :

R **433,243**



# Business Report

## Fully describe the business's activities?

This business is a men's, ladies and kids clothing, shoes and linen shop  
The business sell well known branded merchandise like POLO, JEEP, LEE, ADIDAS, PUMA etc as well as chain store overruns.

## What Advertising/Marketing is carried out?

12 000 pamphlets are distributed to 7 surrounding towns that are self delivered door to door twice a year.  
Social media & eCommerce Platforms

## What competition exists?

There is no competition for our branded clothing in this area.  
The reason for this is that the surrounding towns is to small.  
Some of the companies, only supply two customers in the Free State and will therefore not supply more than one in a smaller town.  
These are exclusive brands and the distributors are very picky about the area and other businesses with the same merchandise.  
If we had chain stores then there would be less Branded Names that we could stock.

## How could the profitability of the business be improved?

Always be on new newest, hottest trends in the fashion industry

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

1 x Manager - General sales, opens and closes the business, balancing the till, invoices and admin - 7 Years  
2 x General Workers - Clothing department & storeroom  
1 x Cleaner

## Do any have management potential?

O yes! the manager is 100% capable to run this business on her own.

### How involved is the Owner in running the business?

The owner does the buying, and some of the paperwork.

### When does the current lease end?

2023, the business owner, owns the building

### What are the trading hours?

Monday - Saturday 08H00 - 17H30

### What are the main assets of the business?

Computers & Computer system,  
Shelves,  
Security tag system with tags,  
Hangers and Size tags

### Strengths?

Good Business layout, Great area, exclusive merchandise, only trader in this area ,different departments (Sport, footwear, outdoors, formal & casual wear, linen, etc)  
Very loyal customer base

### Weaknesses?

To keep up and ahead with the newest trends

### Opportunities?

eCommerce platforms  
Extend the stock range for traditional clothing, farmers clothing and work wear.  
Plenty of opportunity to grow the business even further with internet sales

## Threats?

Complacency and to not stock all the brands. That would leave a gap for other businesses to trade with those brands against this business

## What is the reason for the sale?

The owner does have many other businesses currently that needs his attention.