



Background

General Location: Los Angeles, CA
Category: Manufacturing Furniture
Years in Business: 6
Under Present Owner: 6
Hours of Operation:
Owner Hours:
Training: 3 weeks @ 15 hours
Organization Type: LLC
Lease Expiration:
Lease Options:
Building Size:
Employees: 4
Reason for Sale: Other business interests

Financials

Asking Price: \$749,500
Down Payment: Negotiable
Gross Sales: \$1,149,000
Discretionary Cash Flow: \$251,000
FF&E:
Inventory Included? Yes
Inventory: \$50,000
Min. Operating Capital: \$50,000
Real Estate Available? No
Rent:
Financing: SBA

Year	2018	2017	2016
Gross Sales	\$ 1,149,000	\$ 1,034	\$ 867,000
Gross Profit	\$ 497,000	\$ 497,000	\$ 393,000
Disc. Earnings	\$ 251,000	\$ 241,000	\$ 19,900

Broker Info



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Summary

An established e-commerce focused office-furniture business with strong growth rates and excellent upside potential, the business acquires used high-end office chairs, refurbishes them, and resells them at roughly ½ of the retail price, offering unmatched value.

Over 80% of the sales volume is sold online, with only 4% of the total sales going through Amazon and eBay. There is a significant potential to increase sales by developing both online and traditional sales channels.

Gross margins for the chairs are well over 50% and the business is anti-cyclical, i.e. somewhat recession proof. The demand that might potentially be lost in the lower- and mid-levels of the market in the case the economy weakens would likely be substituted by the increased demand from the customers from the top market segment. At this time, the business is experiencing a strong growth without any investments and involvement by the owners.

The firm also does furniture repairs, provides service contracts, and resells replacement parts. However, those segments of the business were largely neglected until recently, and account for only a small portion of the income. Servicing in this market niche is highly profitable and the firm already has sufficient capacity to greatly expand its revenue in that segment. Likewise, replacement parts sell at even higher margins.

The staple of the business the Herman Miller Aeron chair which is the best selling piece of furniture ever made, with millions having been sold. Retailing for over \$1000, this chair can be thought of as the Rolex of the office chairs. There is a very strong demand as they have come to represent a company's success and are seen as a status symbol by office workers.

The manufacturing process does not require any high-level skills or special experience. The staff is well trained and an owner-operator without experience in manufacturing can run the business. The current manager would like to continue running the business. In addition, the owner is willing to provide training if needed.

An increase in sales volume, as well as the range of product and service offerings, would bring a disproportionate increase in the bottom line. An efficient operator could rapidly improve the already solid profitability.

The turnover and the discretionary earnings figures for 2018 are projected to be over \$400,000 because of the recent significant sales growth and the reductions in expenses.

The business is already pre-approved for 90% SBA financing and can be acquired with 10% of the value down plus the closing expenses.

For contact information, please go to <https://tomculo.com>.

To get the access to the information please go to [Buyer Registration](#).