

Foodservice Equipment Dealer & Restaurant Supply Business

*Market Leader Established in 1993 – Two Gorgeous Locations South Central U.S.
Northwest Arkansas*

Financials

Asking: \$2,136,000
Gross: \$3,800,000
Cash Flow: \$260,000
FF&E: \$300,000 (included in asking price)
Inventory: \$1,165,544
Real Estate: (optional)

Business Summary

Established in 1993 by an industry veteran, this foodservice equipment and supply Company serves chain and independent restaurants throughout the south central U.S. A dedicated team of project managers provides design, equipment and installation to the foodservice industry, corporations, schools, hospitals and municipal buildings and facilities. With two locations and an excellent reputation in the industry, this business offers the opportunity to own the dominant presence in the area as either a standalone purchase or strategic acquisition.

This business has been owner-operated since its inception over 15 years ago, and serves a four-state region that includes Arkansas, Missouri, Oklahoma and Kansas. The Company's headquarters and flagship store have been located in the same city in Northwest Arkansas since 1993: A second location was opened in Missouri in 2004.

The Company's service department offers repair and maintenance to existing clients, and is factory authorized by numerous manufacturers. This business has the distinction of being a Hobart dealer, and is also one of the few Belshaw distributors in the area. The Company is also a member of the largest foodservice equipment buying cooperative in the country, giving it exceptional buying power and additional membership advantages.

General Information

Employees: 18 FT

Facilities: The Company's headquarters are located in a 10,000 square foot building in Northwest Arkansas, which includes a gorgeous 4,500 square foot showroom, eight offices, a break room, inventory holding room, and ample parking in front. A 10,000 square foot heated warehouse was constructed behind the main building in 2005, and accommodates the service repair area and indoor parking for up to three vehicles. The warehouse has gas, electric, bathroom facilities and a power wash room, as well. Both buildings sit on approximately 1.5 acres. (A commercial appraisal of the property was completed in January 2009.) This business is centrally located, with easy freeway and interstate access from all directions.

The Missouri store is located in 10,000 square feet of prime retail space. The Seller estimates that 50% of this location's business comes from high margin walk-in traffic. Highlights of this location include an 8,000 square foot showroom, two offices, break room, restroom facilities and approximately 2,000 square feet of space for inventory holding. (This location is leased.)

Market Outlook

Competition: This business currently has the largest market share in Northwest Arkansas, and is the leader in the state in commercial refrigeration sales. The closest competitor is smaller than this

Company, and is located about 70 miles away. There are a handful of competitors nearby, but they are not even half the size of this Company, and one just opened in 2008.

The Company's primary marketing efforts to date have been its corporate website, outside sales force, printed catalog, referrals, Email marketing, industry trade shows, vehicle signage and some television advertising.

Growth/Expansion: This business could easily expand into additional locations throughout the south central and southeast U.S., and comfortably serves a 100-mile territory with its current staff. While the bulk of this Company's business comes from a four-state region, it has serviced customers in the following states, as well: Florida, New Mexico, New Jersey, Georgia and Minnesota. Additional capital could be used to boost this Company across the \$10M annual sales threshold. The Company's Missouri store is still in its infancy, and is located in one of the fastest-growing metropolitan areas in the country. There is huge opportunity for organic growth at this location.

Northwest Arkansas: If you've never heard of Northwest Arkansas, we have one word for you – Walmart! In fact, several Fortune 500 companies call Northwest Arkansas home, including Tyson Foods, J.B. Hunt Transport, and the largest retailer in the world. Walmart was recently named the most valuable retail brand in the U.S., and is largely responsible for Northwest Arkansas being thrust into national headlines with accolades like "Most Livable City," "Fastest-Growing & Best Performing Economy," and one of the "Top 25 Recession Resistant" parts of the country. Northwest Arkansas is ideally situated in the geographic center of North America and is surrounded by the natural beauty of the Ozark Mountains. With the University of Arkansas in Fayetteville, a new minor league baseball team in Springdale, and a world-class art museum opening in Bentonville, Northwest Arkansas offers an enviable lifestyle in a business climate that is filled with both economic opportunity and stability.

About the Sale

Support/Training: Negotiable. Seller will work to ensure a smooth transition. The current General Manager has been with the Company for ten years, and would be willing to stay on with a new owner, as would a loyal and well-trained staff.

Reason Selling: Retirement

Listing Info

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