

Backing their own vision

Painful backs are one of the most common ailments that people suffer. Now a popular website is arming people with information and products to address this problem. By **Andrea Toal**

FELICITY WOOD, founder of the health website badbacks.com.au, is proof that you never know when inspiration might strike. "I'd always wanted to run my own business but I'd never had that elusive 'idea'," she says.

It wasn't until her career in advertising led her into consultancy work at CSIRO that she settled on the concept of a web site dedicated to products and resources designed to alleviate back pain.

Wood herself was a long-time sufferer: "I had a skiing accident when I was about 18 that left me with a bad back. Over the years, I tried a number of products and therapies and became fairly experienced and informed about ways of managing the pain." But she had little or no experience of the internet, only a passion for the potential of new technologies. In fact, her first encounter with email had been during her time with CSIRO.

She decided to complete her consultancy work and then take some time off to formulate a business plan: "I knew nothing about e-commerce, I wasn't a health professional, so it literally involved starting from scratch." But she was confident that there was no one offering the service she envisaged. Her personal experience gave her invaluable insight into the kinds of products and services consumers were looking for.

With her husband, she invested in developing a website and in 2001, she set up shop in the bedroom her daughter had recently vacated. "I sourced a range of about 40 products from local suppliers, at woeful margins," she explains. "It was really slow to start with, but I really enjoyed the endless challenges. I'd work away at it day and night, but I had no commercial success for probably the first three years."

Eventually her hard work began to pay off. She added pages of medical

information designed to help people better understand their condition and launched a regular newsletter. But the biggest increase in traffic came with the introduction in 2003 of a discussion forum.

It gave users of the site the opportunity to share their experiences and recommend therapies and products that had worked for them. It also provided Felicity with feedback on the latest products and treatments, enabling her to stay in tune with consumer demand.

Wood remains acutely aware of the importance of the site being recognised as a source of knowledge: "Something like 85 per cent of people access the internet for information. Because we've invested so heavily in being well positioned on the major search pages, we've brought people to the site who are just looking for medical information, as well as those looking for particular products."

The year 2004 was a busy one for badbacks.com.au. It saw the introduction of a new, enhanced web site, an extensive expansion of the product range, the securing of several exclusive Australian contracts with international suppliers and the launch of a wholesale arm called Healthzone Pty Ltd. Much of this activity was the result of a phone call Wood received from an Englishman, Jonathan Hulme.

Hulme had 15 years of manufacturing and sales experience in medical devices and therapeutic health products in the US. He contacted Wood to see if she was interested in either selling the site, or purchasing some of his products. The two met and quickly realised that they had very different but complementary skills that could form the basis for a successful partnership.

Hulme's manufacturing and wholesale expertise helped expand the product

range, leading to the launch of Healthzone. Wood explains, "We've been able to source products that his US business manufactures out of the States and Asia, plus his international network has enabled us to sign exclusive deals on other US and European brands."

That same year also saw the opening of the company's first showroom in Port Melbourne. While most companies were struggling to make the transition from 'bricks to clicks', Bad Backs were headed in the opposite direction as it became apparent that the expanded product range had generated a greater demand among consumers to sample the goods before making a purchase.

The introduction of more expensive items, such as bedding, work stations and ergonomic furniture meant people were reluctant to buy online without the opportunity to see the products. "The retail outlets just evolved naturally out of the business," explains Wood.

Neither partner had any retail experience: "We've taken it very slowly. We followed the showroom in Port Melbourne with a small store in Kensington in Sydney and we found it did very well." The Sydney store has since relocated to larger premises in Alexandria, while new stores have opened in Brisbane and most recently on City Road in South Melbourne. There are also plans to open more stores this year.

The website carries an open invitation for experienced retailers or health industry business personnel to contact Bad Backs about the business opportunities on offer, but despite the need for a greater retail presence Wood is reluctant to franchise the brand. "We probably won't franchise Bad Backs," she explains. "Jonathan is based in New South Wales and I'm in Victoria, so we'll keep those as corporate stores, but we're more interested in ▶

distributor arrangements in the other States. We'd like to work alongside entrepreneurial people with a variety of skills, because both Jonathan and I feel we still have a lot to learn, as neither of us are true retailers."

The expansion of the site, the launch of the wholesale arm and the move into bricks and mortar certainly seemed to pay off. In 2006, Bad Backs recorded a 300 per cent growth in sales and has continued to experience around 40 per cent growth every year since. The company is on target to reach a turnover of \$5 million-plus in the next two to three years and Wood believes there is more to come.

Despite the success of the retail outlets, she still sees the website as the core of the business: "When I first started the business, I didn't envisage being in both bricks and clicks. I'm just inspired by technology and what technology can do – we could never get the traffic we get to the web site into one little store. There's just no comparison. The technology is improving every day and I just love being at the forefront."

A US website was launched in December 2006 at badbackstore.com and the Bad Backs team is keen to repeat the success enjoyed in Australia. It's early days for the US operation – turnover for the first financial year was around \$150,000 – but the lessons learned via the Australian operation are likely to prove invaluable.

"Some people seem to think that you can just design your own web site, put it online and make money, but that's really just a dream," says Wood. "You're in a world market and you're competing against some of the major business operators. A small business can claim a niche, but they have to engage in how to build a good web site and how to market it. It took a lot of acquired knowledge to get our site to where it is today."

The US web site has just begun to develop an affiliate programme that could see it partnered with any number of major sports, health and therapeutic sites. "We've literally just embarked on this in the last two months, so I think we still have a long way to go," she says.

One of the biggest stumbling blocks the Australian site experienced at the outset was in gaining the support of healthcare professionals and associated web sites. A



Felicity Wood has successfully built a fast expanding website that caters for people with bad backs. The company's online presence is complemented by retail stores and a growing international brand.

breakthrough came largely through the testimonials of satisfied customers who reported their experiences of the site back to their health professionals.

As far as Australia is concerned, there are plans to launch a number of product-specific offshoots to the main site. Increasingly people are turning to the internet to research specific therapies or products, and Wood hopes to tailor these peripheral sites to suit this niche.

"We're now getting government departments interested, as well as OH&S, health professionals, big and small business, local councils, schools, universities, hospitals – they're all coming on board to varying degrees. So it's still booming." ●

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www.badbacks.com.au**