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Necessity can be a healthy motivator

A move to almost another planet revitalised a Sydney couple's business beyond belief, writes **Jason Clout**.

Losing their biggest client kills plenty of small businesses but for Bowral's Planet Health it spurred a relocation that has translated into greater financial success.

A distributor of natural health products, Planet Health had been based at Warriewood in Sydney's northern beaches.

Planet Health's business was originally built on the distribution of a British brand, Efamol. But due to an overseas corporate restructuring in 1999, Efamol went out the door, and so did 63 per cent of Planet Health's revenue.

Founders Peter and Mandy Harwood realised things would have to change.

They had always loved the Southern Highlands in NSW for its beauty. After finding the art deco house in the area they had been seeking, they chanced upon a sizeable warehouse and office site just off Bowral's main street.

Peter Harwood recalls the big shift from Sydney to Bowral, about 130 kilometres south-west of the Sydney CBD. "We knew with the loss of Efamol we would have to rethink our business model," he says. "So we wondered if it was possible to run a national



Peter and Mandy Harwood are now firmly settled in Bowral.

distribution centre from Bowral."

The warehouse they found was a good start. Initially leased and later purchased, the 700 square metre building provided more space than

they had in Warriewood, yet for about the same rent.

They looked at the region closely. Book publisher HarperCollins operated a distribution centre in

nearby Moss Vale, instilling confidence that it was possible to ship successfully across the country from that part of NSW.

The location might even have worked in their favour with the transport companies, Harwood says. "Because there aren't that many big customers in the area, we've become an important customer for them and they work hard for us."

Staff numbers dropped initially. They had about 25 staff in Warriewood but not many moved to Bowral, which is a long haul from the northern beaches of Sydney.

"We hung onto our sales staff as without them, we don't have a business," Harwood says.

Planet Health has a very targeted product range that requires well-respected sales staff.

"We only sell ethical, quality products. Our catalogue is only six pages, whereas some companies have very thick ones."

What has delighted the Harwoods has been the capacity to employ quality staff from the local area, in a workforce that now stands at 40. Some have been executives tired of commuting to Sydney or who, like them, wanted to make the Southern Highlands home.

"At first we found wages were probably 10 to 20 per cent lower than Sydney, but now we're paying the same as jobs there. Even some younger staff are coming back to the area after trying Sydney.

"When we advertise there won't be as many applicants as in the city. But there's undoubtedly quality people around here."

Planet Health was profitable within six months of establishing in Bowral, Harwood says. Its revenue is \$20 million with a goal of \$50 million in five years.

Exporting to New Zealand is a consideration, helped by the fact that the company bought the warehouse adjacent to its first site and also has a storage facility in town for imported materials and its own range of products, for which it has high hopes.

Asked if there is any thought of shifting again, Harwood just laughs.

"No, we're very happy here. We've bought a farm about 15 minutes out of Bowral which we love."

But while the move for Planet Health has been very successful, other business owners contemplating a major relocation have to consider all the factors, Harwood says.

"Things have worked out well for us but we did spend a lot of time thinking through the move. You need to know that the sort of business you have will fit with the region you're moving to.

"Another is to think about the hidden costs. We benefited from the bigger facility, so that helped.

"But you also need to know that other business costs will probably increase, such as your phone bill."