

# FERNWOOD WOMEN'S HEALTH CLUBS

## FOUNDERS

Diana Williams and John Clow

## FOUNDED

1989

## CHIEF EXECUTIVE

Diana Williams

## TRACK RECORD

BRW Fast 100: 1998 (ranked 4), 1999 (2), 2000 (8), 2002 (86).

BRW Fast Franchises: 2004 (ranked 5), 2005 (15), 2006 (18), 2007 (47), 2008 (46).

2008 BRW ANZ Private Business Awards: Joint winner for Private Business of the Year with turnover of less than \$100 million.

## SECRET OF SUCCESS

We've been able to identify a need for a product that is different. We've always been able to market, and stay true to what we market.

**Community culture:**  
**Fernwood chief executive**  
**Diana Williams**

● The desire for a friendly, non-threatening place for women to exercise drove Diana Williams to found Fernwood Women's Health Clubs in 1989.

Looking for a fresh challenge after her children left home, the entrepreneur and former stay-at-home mum opened her first fitness club in a vacant school room in the central Victorian city of Bendigo, using \$7000 of her savings.

Within a year the club had shifted to bigger premises in the city centre and within four years Williams had opened a second club in the nearby city of Ballarat.

The company has since grown rapidly. Today, Fernwood has 78 clubs around Australia and is planning to open overseas branches, although its local and international expansion plans have been delayed by the global financial crisis.

Fernwood had turnover of \$98 million in 2007 and Williams had hoped to pump this up to \$150 million by 2010. But she has been forced to push this goal back because of the testing market conditions.

Despite this, Fernwood has managed to open two more clubs this year.

Williams says the success of the fitness chain can be attributed to a product that is different to others in the market. Similarly vital has been "focusing on quality of service, not being

a discount business and making sure we give quality service to our customers".

Williams cites managing cash flow as among the biggest challenges in the early days of the company, while finding the right staff to manage expansion has also been problematic.

Innovating and staying ahead of the competition is one of the biggest challenges the company faces, she says.

As an industry, the proposed copyright fees for music used in gym classes poses a big threat, especially to smaller, less profitable operators.

However, Williams says Fernwood is not heavily focused on music so the impact on her business should be minimal.

"Fernwood is not about the music, it's about the culture, about the community ... it's not terribly relevant," she says. "That's not to say we're not fighting it."

Williams' efforts have helped make the women-only fitness chain an enduring feature of BRW's fast business lists.

The company featured on the *BRW Fast 100* four times, beginning in 2002, and the *BRW Fast Franchises* from 2004 to 2008.

The success of the company also earned Fernwood a *BRW ANZ Private Business Award* last year and a place in the Franchising Council of Australia's Hall of Fame.

Ainslie Chandler

