







CFBMC Conference
February 1, 2008

**Capturing Value Through
Market Driven Innovation**

Angela Santiago, CEO




Introduction

Who is The Little Potato Company

- ✓ 1996 Jacob van der Schaaf, an immigrant from the Netherlands wanted some baby potatoes much like he enjoyed as a boy. Convincing his daughter, they planted one acre.
- ✓ Today, ten years since the start, with one acre of land, The Little Potato Company has developed a niche market and has relationships with growers in Canada, California and Washington, growing approximately 1800 acres of small potatoes.
- ✓ Currently our main market is Canada with inroads into the Pacific Northwest.
- ✓ The company employs 65 people mainly in our Edmonton operation.
- ✓ We have aggressive growth plans for the next 5 years, into the US and further development of the Canadian market.



What do we do?



- ✓ We specialize in growing and marketing small and unique potato varieties.
- ✓ 90% of our business is retail, the remaining is food service.
- ✓ We package in 1.5 lb, 2lb, 3lb and 5lb bags for retail focussing on the uniqueness of each variety.



Consumer Focus



- ✓ Strong focus on consumer; what are they looking for?
- ✓ Grow what sells, not sell what we grow.
- ✓ Added value to an existing product.
- ✓ Took away what was not adding value.
- ✓ Create stability and predictability for consumer, retailer and grower.
- ✓ Moved away from the commodity mentality – year round pricing, year round supply – Branded!



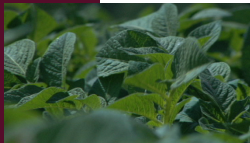
Retail Relationship



- ✓ Adding much needed value to a category that is diminishing every year.
- ✓ Stable pricing.
- ✓ Year Round Supply.
- ✓ Use point of sale material, coupons, in-store demos.
- ✓ Develop a plan for each retailer to promote small potatoes with their chain.
- ✓ Active participation in tradeshow.



Grower Relationship



- ✓ Engage the grower to connect to end user.
- ✓ Dedicated staff who provide knowledge for growing.
- ✓ Working at using 100% of crop – developing further value added products.
- ✓ Research and development for agronomic improvements.



Our Breeding History



✓ Approximately the same time we started The Little Potato Company, my dad, Jacob, with two partners formed Solanum International, a breeding and research company.

✓ Working closely with them we began to look for existing unique varieties, mainly small potato varieties from around the world.

✓ Along with Solanum, The Little Potato Company develops these relationships and exchanges information with respect to market and genetics.



Internal

✓ Board of Directors with 5 out of 7 members from the "outside".

✓ Developed committees that engaged people outside of our company to participate and advise.

✓ Traceability system that manages information between The Little Potato Company and the grower. This system will eventually be available for our customers and consumers to access information about our product.

✓ Lean manufacturing practices; reducing costs, improving output and quality.

✓ Strong HR Strategy: Focus on the human aspect and human impact on quality.

✓ Recent Strategic Planning Session focused on the company strategies and tactics to "customer value".



Challenges



- ✓ **Busy retailers:** Following through on the plans and getting pertinent information.
- ✓ **Problem solving:** Staying away from “blaming” but focusing the conversation on “what does the customer want”?
- ✓ **Communication process:** Ensuring the right people are talking to each other.
- ✓ **Quality information:** Ensuring the correct information is shared in a timely manner to make good decisions for the whole chain.
- ✓ **Isolation:** We tend to work in silos even within one organization, understanding there needs to be horizontal integration.



Advantages



- ✓ **Sustainability:** Branding is about longevity, so the stronger the chain, the stronger the brand.
- ✓ **Competitive advantage:** Can respond to the market faster and more efficiently.
- ✓ **Transparency in information:** Allows for leaner practises and develops trust.
- ✓ **Relationship building:** Working in a value chain forces each link to work with each other at personal levels.





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