



## CASE STUDY

# PASTA TAVOLA TAKES A STEP-BY-STEP APPROACH TO BUSINESS GROWTH

It all started in 2010 with a few all-natural, handmade pastas and sauces, some sales at the local farmers' markets and a small retail outlet. Now, Pasta Tavola is expanding its reach beyond its base in Belleville and eastern Ontario to the western part of province, with aspirations to go right across the country.

"It's scary but exhilarating being an entrepreneur," said Victoria Watts, who, along with her sister Paula, own the company. "You have to have grit and resilience because there are a lot of factors you don't have control over, but ultimately you have to be confident that you'll make it through."

The company's name comes from the sisters' youth, when they would visit, chat and make pasta with their mother and Italian 'nonna' around the pasta table — or 'pasta tavola'. The brand and the products reflect that sense of family, and are made of only natural ingredients with no additives or preservatives. Fresh, frozen and jarred items are sold into wholesale grocery and foodservice (restaurants and catering) channels.

# KEYS TO PASTA TAVOLA'S SUCCESS

- Start small, test the product with consumers
- Have a business plan and consult it regularly
- Network and learn from others in the industry
- Apply for government funding
- Scale up using a step-by-step progression
- Build and maintain customer relationships
- Keep an eye on the competition and food trends
- Establish your brand

*The Agri-Food Management Institute (AMI) is bringing Ontario farmers this case study to demonstrate how using good business management practices can contribute to their ongoing success. AMI has taken a leading role in developing resource materials, online training options and hands-on workshops and courses to help producers enhance their skills.*

## > START SMALL, TEST THE PRODUCT

Pasta Tavola began as a direct-to-consumer enterprise, with sales at the local farmers' market, where Victoria said the sisters gained a lot of insight into people's preferences by gathering their feedback, and using it to improve their offerings.

A small facility fronted by a store followed, which continues to serve Belleville residents with fresh, farm-to-table products to this day.

During this time, their products gained a favourable reputation in the community and Victoria and Paula learned a lot about doing business.

## > EXPANDING THE COMPANY

Within three to four years, the Watts were ready to move up and into the wholesale market.

"We always knew we wanted to get into manufacturing, and Prince Edward County at the time was a burgeoning foodie and wine region," Victoria said.

They began supplying specialty food stores and independent grocery stores like Whole Foods Market, local Foodlands and independently owned Sobeys stores, as well as some catering companies and high-end restaurants.

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"Now, the bulk of our sales are in the specialty and natural foods store channel," she said, adding that they currently serve more than 75 retailers, with a list that's growing monthly.

## > SCALING UP

Before they made their move, the sisters had to have a 'hard discussion' about where the business was going in the future. They were still making the products by hand and working at capacity.

"There's only so much you can do, and we couldn't go beyond the local area because we were so busy making pasta by hand and running a retail shop," Victoria said.

They knew the product was good, and that people wanted more of it, but they had to take a close look at increasing their efficiencies.

That was when they decided to invest — in facility upgrades and machinery — to take the business to the next level.

## > NETWORKING PAYS OFF

They started by reaching out to people in the industry from whom they received a lot of learning and encouragement.

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“You need to network, and you need to take the time to gain the knowledge and build relationships,” she said. “It’s really important to connect with others, including other entrepreneurs who will have different insights into your business.”

She has also begun giving back to the community by providing advice of her own to other entrepreneurs looking to scale up.

“You have to constantly put yourself out there and have the courage to keep doing it,” she said, talking about pitching potential customers.

## > APPLY FOR GOVERNMENT FUNDING

With her energetic approach to asking questions and learning, Victoria also found out about the Growing Forward 2 program, from which she received funding to help defray the costs of renovating their facility and buying new equipment. The program was a federal-provincial-territorial initiative aimed at encouraging innovation, competitiveness and market development in the agri-food industry.

The upgrades meant much greater efficiency and productivity. Where in the past, it took five people to make products, it was now down to two or three, with an exponential increase in the volume of the company’s output.

“While we were making the changes, we were also reaching out to more retailers — we’re always thinking six, 12 and 18 months ahead,” she said.

She said as a result of the company’s growth, she is able to pitch to the next level of retailers — those that have four, five or ten locations.

“Every level as you scale up has its challenges,” Victoria said, citing, for example, the need to reformulate recipes for the larger volume production runs.

In July, 2018, it had been a year since the upgrades and the sisters were again looking grow their business by finding a broker or a distributor — something that was necessary, given the fact that they were looking to sell into larger markets farther away from Belleville.

Having a distributor would add another layer to the business and substantially cut into their margins. This, in turn, would mean having to figure out the next step for the business — whether it was to find greater efficiencies, invest more in bigger machines, find a co-packer, or some combination of these moves.

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## > HAVE A BUSINESS PLAN

The Watts started off with a huge business plan that weighed in at a hefty 150+ pages. Now, it’s been consolidated and has evolved as the company has grown.



“We’re constantly revisiting our business plan and refining it,” Victoria said. For example, she included the fact that western Ontario markets and consumers are quite different than those in the east and need to be treated appropriately.

She pointed out that business plans are key for obtaining financing, having goals written down and being able to move forward with step-by-step evolutions.

## ➤ PLANNING FOR THE FUTURE

Through the years, the sisters have learned to make sometimes difficult decisions, including dropping product lines that aren’t selling well.

“As an entrepreneur, I think you have to create a certain amount of detachment from your products as you grow,” Victoria said, emphasizing that she keeps a close eye on the competition and trends that are happening in the industry.

The Watts are keenly aware of their brand — making sure to maintain their products’ value proposition as the company grows. They’re also strong believers in cultivating and maintaining good relationships with customers.

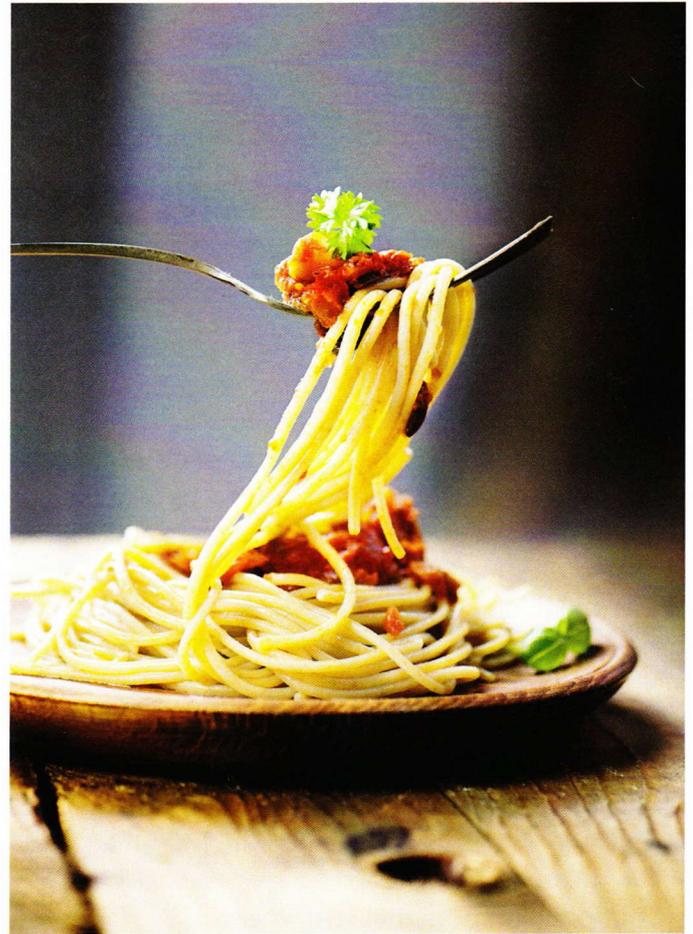
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“We’ve taken Pasta Tavola from nothing to something that people want and ask for,” Victoria said.

As of mid-2018, the Watts were in phase two of their three-phase plan, with the ultimate goal of having their products available right across Canada. ■



AMI is introducing a suite of new tools and resources aimed at helping Ontario producers adopt LEAN management principles to increase their productivity. It is also raising awareness of the many regional assets that are available to farm business owners looking to diversify their operations by making and selling value-added products. Watch for new programs coming soon to [www.takeanewapproach.ca](http://www.takeanewapproach.ca)

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