

Sun Country **Airlines**

July / August 1997

**TASTE OF MINNESOTA
FROM BLUE CHIPS
TO POTATO CHIPS**

**LAS VEGAS
FUN GUIDE**

**MAKE IT
MEMORABLE IN
HAWAII**



LAND OF 10,000

FROM BLUE CHIPS TO POTATO CHIPS

In January 1995, Jim Garlie, former stockbroker and owner of Bloomington Minnesota-based RLD Enterprises, Inc., abandoned notions of starting a brokerage firm to acquire a potato chip manufacturing plant. This led to the development of the "Rachel's. Made from the Heart" line of Gourmet Potato Chips.

Rachel's Gourmet potato chips start with the finest hybrid potatoes, hand sorted for freshness and quality control. Each potato is thick sliced and cooked in pure select sunflower oil, the lowest in polyunsaturated fats, with no additives, preservatives or cholesterol.

Unlike many brands that are mass-produced through a continual cooking process which removes the potato's flavor-rich starches, Rachel's chips are prepared one batch at a time -- stirred and cooked to perfection -- which maintains that real potato flavor.

Rachel's has made a commitment to producing only the highest quality snacks, using the healthiest ingredients and best processes available.

High in vitamin C, naturally low in polyunsaturated fats, and loaded with flavor, Rachel's are fast becoming everyone's chip of choice.

For Garlie, relinquishing a solid 10-year career was more than a gut impulse. In addition to believing he had identified a niche market in a very solid industry, Garlie was aware that Minnesota people are very tuned in to food that is produced and distributed by Minnesota companies. Garlie took his new line of Rachel's Gourmet potato chips to the streets to test consumer acceptance. Targeting the Minneapolis/St. Paul metro market, he consistently found

that consumers preferred Rachel's Gourmet chips over regional brands 83 percent of the time. As Garlie sees it, "Today's consumers are looking for variety and new taste sensations. We gave them unique flavors such as Cajun Classic, Salt & Vinegar, Hot Mustard, BBQ, Jalapeno, Parmesan & Garlic, Steak & Onion and our traditional Gourmet recipe. Something for everyone, and they loved them all!"

Leaving nothing to chance, Garlie recruited Leo Short, a 16-year Frito-Lay veteran who had launched "Sun Chips," to direct Rachel's sales and marketing efforts. With Short and Garlie allied, the Rachel's product line skyrocketed.

"Today, you'll find Rachel's Gourmet Snacks throughout the Twin Cities area," says Short. "Leading grocery chains such as Cub Foods, Lund's, Rainbow Foods, Byerly's and Super-Valu Foods are carrying them, as well as Dayton's and various convenience stores."

Both Bruegger's Bagels, the biggest bagel chain in the Twin Cities, and Davanni's, the largest upscale pizza chain in the Twin City metro area, have also chosen Rachel's Gourmet Snacks as their



Leo Short, left, Rachel's Sales & Marketing Director. Jim Garlie, right, Rachel's CEO.



exclusive chip line.

"Our marketing efforts include sampling to build brand awareness," says Short. "Local partner alliances are also key." Rachel's was the endorsed chip for the Timberwolves during its 1996/97 NBA season and it promises to be in the concession stands this fall as well. Baseball fans attending the St. Paul Saints semi-pro games will enjoy Rachel's eight flavors this season as the stadium's official potato chip.

"There's a tremendous market

out there for top quality snacks. We have built a strong following in the Twin Cities market and have a solid presence in other markets. With a growth rate of 100 percent a year and the addition of 80 new distributors, we are now positioned to offer the great taste of Rachel's potato chips to every family across the Midwest.

"Our goals will continue to be to expand by developing a network of local independent direct store distributors for food and convenience stores," says Garlie. "Additionally we will introduce other snack foods -- popcorn, pretzels, tortilla chips and salsa -- under the Rachel's line."

But that will come with time. "Right now," Garlie says, "We have a unique product that people like, and our chips are tastier and fun to eat." For further information about Rachel's or where you can purchase their products, please call 1-800-730-3700.



GOURMET TASTES

COME & ENJOY A TASTE OF MINNESOTA

Everyone knows, of course, that you go to Minnesota to relax and go fishin'. But most people don't associate Minnesota with food or gourmet eating. Those who really know, however, know that it's possible to use the Twin Cities, Rochester or Duluth as a base and happily nosh your way around the state while getting a glimpse of what Minnesota is all about socially and historically.

New Ulm, for example is west of the Twin Cities and was settled by mostly German folks who readily adapted to the agricultural lifestyle of the area and who every year cut loose at Oktoberfest. During the festival, beer and German food are everywhere and polka bands keep everyone hopping until the end of the last waltz.

To celebrate Minnesota's wonderful mix of cultures and ethnic backgrounds, people gather at the State Capitol grounds in St. Paul on July 4th to participate in the state's "Taste of Minnesota." Many of the ethnic restaurants in the Twin Cities get together for this occasion and offer samples of their cuisines to visitors. Folks can follow a Vietnamese egg roll with a Mexican tortilla. Both cultures are relatively recent additions to Minnesota and both are proud to give visitors a sample of their cuisines.

Actually, the variety of different ethnic cuisines available to Minnesotans and visitors is pretty broad in scope. From the kolackies and borsht of Eastern Europe to the rigatoni, gazpacho and gyros a little further to the west, one can sample the cuisines of a good part of the world without even using a pass-

port.. Because Minnesota is also one of the favorite settlement locations for Southeast Asian refugees, restaurants that feature dishes from Vietnam, Cambodia, Laos and Thailand are quite common. Even foods from Ceylon, India and Afghanistan are easily available.

The majority of the people who settled in Minnesota initially, however, were of German, Scandinavian or Eastern European origin, and this becomes evident when you take in some of the annual events around the state.

If your ancestors were from Germany, you will probably feel right at home when you visit Henderson for "Sauerkraut Days" July 18-20. There is free sauerkraut for all who show up (507)248-3462. At the Montrose "Weinfest" on August 10, you can sample wines, eat German food, enjoy German entertainment and wear your Bavarian clothes. (612)675-3999. Later on from September 13-15, Montrose has a "Bavarian Oktoberfest" with German beer, wine, food and entertainment., (612)675-3999. In New Ulm, they wait until October is actually here to celebrate "Oktoberfest." This is probably the biggest Oktoberfest celebration in the state, and takes place October 4-6, (507)354-8850. On August 29-31, the community of Norwood/Young America celebrates "Stiftungfest" which it bills as "Minnesota's oldest celebration," (612)467-3365.

Folks whose backgrounds relate more to Scandinavia can find lots of opportunities to get a taste of the old country. The town of Scandia celebrates "Gammelgarden Speil" on August 16 with a big

GO- RACHELS.COM

(OTC RACH) Local Company Makes National Waves



Leo Short, left, Rachel's
Sales & Marketin Director.
Jim Garlie, right, Rachel's CEO.

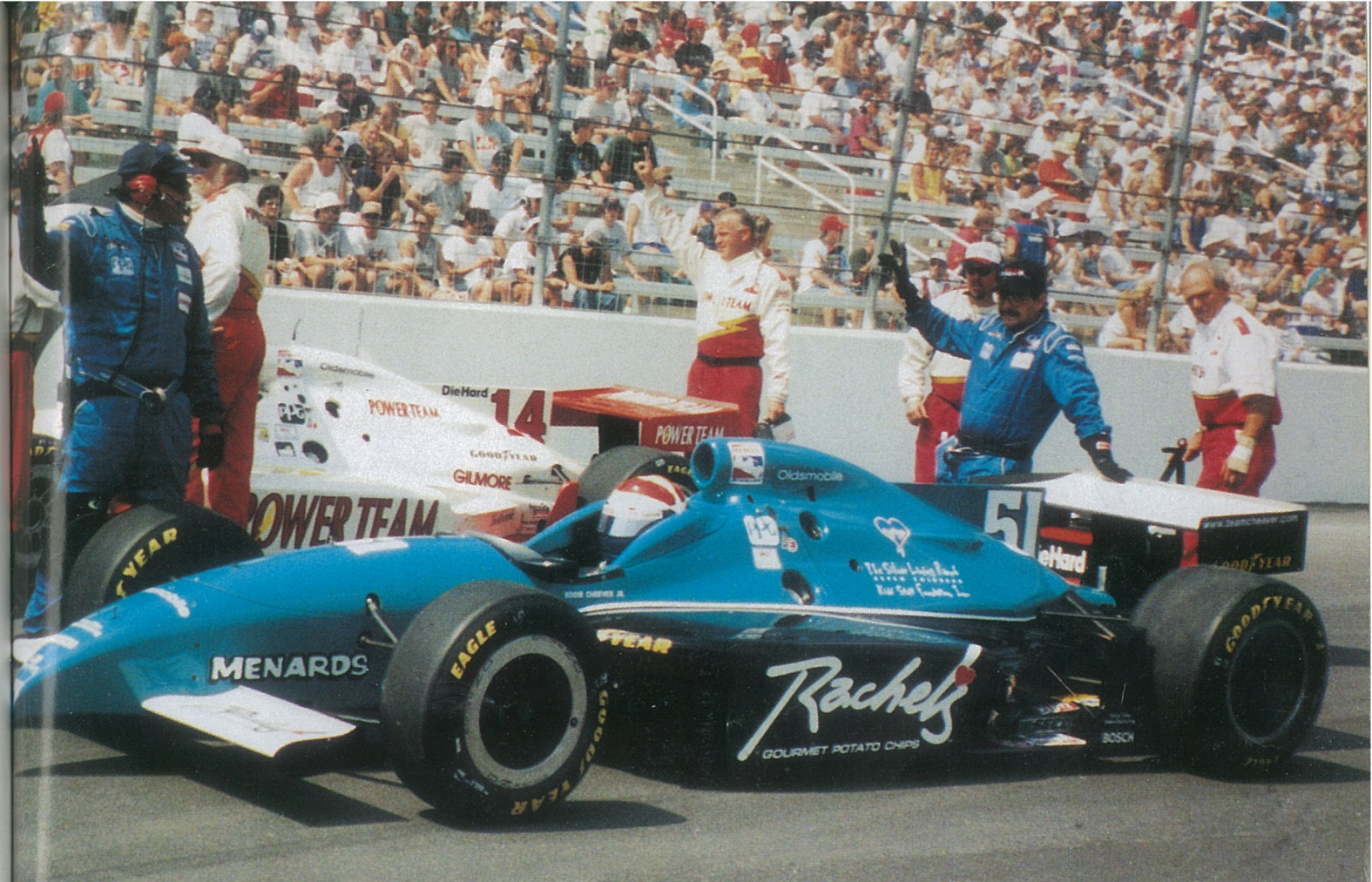
Ever since 1995 when Jim Garlie, founder of GO-RACHELS.COM (OTC RACH) relinquished his 10-year career as a stock broker to launch Rachel's Gourmet Potato Chips, the focus has been on turning Rachel's into a recognized brand name throughout the United States and Canada.

As Garlie sees it, "Today consumers are looking for a variety of new taste sensations. Rachel's Gourmet Potato Chips come in nine great flavors that include Cajun Classic, Salt & Vinegar, Hot

Mustard, BBQ, Jalapeno, Parmesan & Garlic, Steak & Onion, Dill Pickle, and our traditional Gourmet recipe. Something for everyone, and consumers love them all!"

In 1997, GO-RACHELS.COM acquired Triple-C Inc. for the purpose of expanding its line of Rachel's Gourmet Potato Chips throughout Canada and marketing Triple-C's products throughout the United States. Triple-C distributes a wide variety of candy products that includes Sour Simons, Gummy Guys, Loonies, and Y2K and Millennium Chocolate Coins.

It was in this latter effort that in 1998, the company launched a new North American marketing program by sponsoring Eddie Cheever, who went on to win the 1998 Indy 500. The campaign used



1998 Indianapolis 500 winner Eddie Cheever Jr. in his Dallara-Aurora sponsored by Rachel's Potato Chips.

Cheever to introduce Rachel's Gourmet Potato Chips to the nine markets where the Indy Racing League (IRL) races are held and to gain television exposure throughout the United States and Canada.

In January of 1999, the company announced that it had set up a marketing arrangement with Triple-C Inc. and three prominent candy manufacturers to market Y2K and Millennium Coins. The new products were introduced at the ISM show in Koln, Germany, and will be featured at the MCA All Candy Expo in Chicago in June. When they were announced, the new products produced \$5 million in initial orders in Canada alone.

January turned out to be a magic month for the company. On January 20 the IRL racing season began and GO-RACHELS.COM signed an agreement with one of the largest Direct Store Delivery food brokers in the U.S. to handle their

product. Five days later, the company was able to announce that Eddie Cheever Jr. and GO-RACHELS.COM had won the opener of the IRL at the Walt Disney World Speedway in Orlando, Florida.

And the exposure is paying off. According to Jim Garlie, "Ever since Rachel's Gourmet Potato Chips were launched in 1995, and especially since winning the 1998 Indy 500, people have been calling the company and asking where they could buy the chips. Our new e-commerce Web site will enable consumers to click on their particular state and find out where the chips can be purchased in their area. In the event

there is no local outlet, consumers will be able to purchase chips from the Web site. The site will also allow distributors to order truck loads of potato chips and other products through the World Wide Web."

Sponsoring Eddie Cheever Jr. and utilizing the exposure of the Indy 500 and its other Indy Racing League markets as a way of building the Rachel's brand name was the result of three different factors. The first was Eddie's Cheever Jr.'s relationship with John Menard. Menard, Inc., headquartered in Eau Claire, Wisconsin, is also

a sponsor of Eddie Cheever Jr. and had agreed to carry Rachel's Chips as an impulse item near the cash registers in Menards 138 home-improvement stores across the



Millennium
Gummy Coins
in Tub

Upper Midwest. The second factor was Eddie's stature in racing circles. He holds the Indy 500 records for the fastest race lap (236 mph) and the fastest speed (254 mph) on the straight away. The final factor was the foresight of Leo Short, Rachel's sales and marketing director. While he was working for Frito-Lay, Short was the person responsible for launching Sun Chips, which grew into a \$200 million line.

Commenting on the company's decision to use the Indy 500 as its marketing vehicle, Garlie had

a few thoughts. "The Indy 500 is the largest spectator sport in the world and the fourth largest televised sporting event in the world. Winning the Indy 500 was fun, but the exposure that will come from being the defending champion at the 1999 Indy 500 is estimated to be worth from \$10-\$15 million dollars. With that kind of a return on our marketing, I'm excited

about the direction the company is headed."

Like many start-up companies, GO-RACHELS.COM has been incurring losses while fueling its

growth. However, with 1999 revenues are expected to exceed \$30 million up from \$20 million in 1998, \$11.2 million in 1997, \$1.1 million in 1996, and a mere \$500,000 in 1995, the company is expected to be in the black by the end of the year.

For more information about GO-RACHELS.COM and to find out where their products are sold in your area or to order them on the Web, you can call (612) 884-2305 or check out their new e-commerce World Wide Web site at www.GO-RACHELS.COM. 🍌

By Dick Teachout



**Millennium Loonie
Coins in Tub**



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