

To DIY or not to DIY? That is the question

I am a do-it-yourselfer, within limits. I'll take on a leaky faucet but leave the HVAC to the pros — and I might call a plumber for the faucet if I don't have time. It's the same in business. The business equivalent of a dripping faucet can wait or be handled internally, while an organizational attic fire might warrant a call to 911. A few things to consider in weighing the right approach:

PRIORITY: Ask “Is this necessary or helpful? What if we put it off? Will it divert time and resources from greater needs?” Priorities are not always clear-cut, and you won't often have the luxury of handling things one at a time. Your team may or may not be able to handle all needs at once; a deliberate consideration of urgency and priorities is in order.

INTERNAL CAPABILITIES: You won't always have all the internal tools or expertise but it's a trap to think you must have all the necessary resources before you start a project. If you have 80% you may be able to figure out the rest, but some things are too big of a stretch and you'll need options. Outsourcing can help, but keep reading. . .

TIME: We all have the same amount of time every day but it's the world's most perishable inventory. Morrison works in many situations where clients have the ability, just not the time. Some things have to get done and outsourcing can be an option, but. . .

THE FLY IN THE OINTMENT: California's Assembly Bill 5, signed into law September 18, codifies the 2018 California Supreme Court's *Dynamex* decision imposing tough requirements for contracting with individuals. The law excludes certain “licensed” professions like accounting, but questions remain. If an accountant performs less traditional services such as business plans or advisory roles, is it still exempt “accounting”? Time and case law will tell. Engagements with independent consultancies and companies organized as separate legal entities with their own employees, however, are exempt from AB 5.

COST: Cost is important, including opportunity cost. Nothing's free — including the cost of doing nothing. Count the cost of attacking a challenge internally, outsourcing, or doing nothing. Most folks with a few years behind them can look back at as many expenditures of time or money they wish they had made as those they wish they hadn't.

Following are ways Morrison has helped when critical factors pointed to outside help:

ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA



Associated General Contractors of California (AGC), headquartered in West Sacramento, is the premier organization serving California's construction industry, with over 1,000 members. Members receive top-tier legislative access, advocacy, industry education, and career development services. AGC welcomed its first new CEO in over 30 years in 2018, followed by the retirement of their CFO of over 20 years. These changes and the Board's vision called for a new leadership culture, resulting in the addition of an innovative and forward thinking CEO and a like-minded Vice President of Operations & Finance. New leadership determined that needed accounting and financial management changes would require outside expertise; Morrison was engaged to develop a work plan followed by revised accounting policies and procedures, internal controls, and financial reporting geared to assist the Board and management with planning and analysis. The engagement, served primarily by Morrison's Sacramento location, was expanded to include rewriting the controller job description and assist with the hire of a new controller, managing cash flow, researching contract administration trusts, and creating new budget templates for the updated reporting structure. The result is a new era of financial accounting and reporting that serves the contemporary needs of the Association.

TAYLOR BROTHERS FARMS



Taylor Brothers Farms (TBF) is the world's largest producer, processor, and marketer of organic prunes and prune products, and a leading processor and distributor of conventional prune products with processing facilities and sales offices in the U.S., Poland, and South Korea. From its roots in farming (going back to 1916), Taylor Brothers had grown to an international vertically integrated company comprised of agricultural production, processing, marketing, and distribution activities, handling its own commodities and those of other quality California growers. Managing and monitoring the global organization became increasingly challenging, and the company sought help in assessing and overseeing its growing operations. Morrison's role with Taylor Brothers has taken many forms since 2008, including time spent at their facilities in Poland and Korea. Today Morrison provides financial and business segment analysis including assessing financial reporting from all entities; interface with lenders and key third parties; ad-hoc analyses, and; presenting findings, options, and recommendations. In the past, Morrison assumed the controller role during a vacancy, recruited and onboarded a replacement controller, and filled other key roles.



LONG VALLEY HEALTH CENTER



Long Valley Health Center (LVHC) is a nonprofit Federally Qualified Health Center in rural Laytonville, California. Offering primary medical, dental, mental health, and other services, LVHC is a recipient of the Department of Health and Human Services' Health Resources & Services Administration's Quality Improvement Award. Though LVHC needs oversight of its accounting and finance functions, analysis and presentation of financial statements to the Board, oversight of the annual audit, and other CFO level functions, they did not feel these duties required a full-time position. The location (over 100 miles from a city of 100,000 or more) made recruiting difficult, and nearly impossible for a part-time person. Morrison was engaged to fill the part-time CFO role in 2014, refining its services to meet LVHC's evolving needs, including strategic planning and human resources. While Morrison is onsite as needed, technologies to connect to LVHC's office are also utilized. Morrison has experienced normal staff turnover in its years of service to LVHC, quickly stepping in with other experienced Morrison consultants to avoid disruptions. Today, LVHC enjoys CFO level reporting and analysis, oversight and support for its accounting and finance functions, and collaboration with other key providers without requiring a fulltime CFO.

SIERRA GOLD NURSERIES



Sierra Gold Nurseries (SGN) is a family owned commercial fruit and nut tree nursery, serving orchardists throughout the western United States since 1951. The company offers a wide variety of fruit and nut trees for growers with options for both rootstocks and scions (the producing top half). Its production process is vertically integrated, including a state-of-the-art tissue culture lab. In 2015, SGN unexpectedly lost their contracted Chief Financial Officer during a period of significant expansion. A few years later, turnover occurred again with an ERP software conversion planned and scheduled. A CFO was not only needed quickly, it was an opportune time to re-envision the role. Morrison, referred by both SGN's bank and CPA firm, stepped into the CFO and controller functions while working to restructure the company's accounting and finance operations. Eventually, Morrison onboarded a full-time controller while continuing to manage core CFO functions including the annual budget, lending relationships, and regular interface with key stakeholders. Today, SGN has a robust internal accounting and finance function while Morrison provides defined CFO level duties and additional support as needed. Normal staff turnover at Morrison has been addressed seamlessly, preventing the turmoil previously experienced from unexpected departures.

GORRILL RANCH



Gorrill Ranch is a fourth generation farming operation in northern California. The ranch was founded in 1918 by Ralph Gorrill, who purchased a sizable contiguous portion of the Stanford Durham Ranch for rice acreage and leveraged his engineering background to design a gravity-fed water delivery system that is in use to this day. The ranch's second generation (Ralph's three daughters) diversified into orchard crops including prunes and almonds (marketed through Morrison clients Sunsweet Growers and Blue Diamond Almonds), walnuts and pecans. The ranch has also periodically increased its rice acreage through the years. Gorrill's routine needs did not require a full-time CFO or controller, but they found it difficult to retain qualified part-time professional assistance with Board reporting, preparation and analysis of cash flow projections, budgeting, year-end close, and other critical processes. Morrison has been engaged to fill those needs since 2012, along with analyzing new business opportunities and other assistance as needed. The result has been steady and uninterrupted accounting and finance services that have played a role in the Ranch's success as they enter their second century.