



M O R R I S O N & C O M P A N Y

IN THIS ISSUE:

Work Truck Solution Offers Answer for the American Work Truck Industry

California company develops software to help work truck industry track marketplace inventory.

The Way We See It: Going Protean

Outsourcing is an increasingly useful tool to improve efficiency and/or address requirements of the Affordable Health Care Act.

Morrison Grants Database Now a Free Resource

Search our grants database for free at www.morrisongrants.com.



Morrison & Company Tidbits

2013 is already shaping up to be a busy year for the Morrison & Company team!

MBG Marketing: Planning a State of the Art Processing Facility



MBG Marketing, "The Blueberry People," is the largest marketer of fresh and processed cultivated blueberries in the world.

Founded in 1936 as Michigan Blueberry Growers Association, the grower-owned cooperative is headquartered in Grand

Junction, Michigan, and has grower-members in the Great Lakes region, the Sun Belt, the Pacific Northwest, and British Columbia. MBG is a partner in Naturipe Farms LLC, which produces and markets frozen and value-added berries under the Naturipe label.

In addition to operating facilities in Michigan, Indiana, Georgia, North Carolina, and Florida, the company is active in developing new proprietary blueberry varieties with its own breeding program and in partnership with others.

Morrison & Company performed a feasibility study and prepared a business plan for a state-of-the-art IQF facility near MBG's Michigan headquarters.

Until this month, MBG depended solely on outside packers to process their Individually Quick Frozen (IQF) blueberries. The preferred method of freezing for most uses, IQF berries are individually frozen to minus 36 degrees before packing, making them flowable like a box of marbles. In contrast, traditional block frozen berries must be fully or partially thawed for processing and come out in clumps or solid blocks. Because IQF berries flow and can be handled without thawing, they are easier to use and result in less processing damage.

In a project that began in December 2011 and finished in 2012, Morrison & Company performed a feasibility study and prepared a business plan for a state-of-the-art IQF facility near MBG's Michigan headquarters. We reviewed MBG's plans from the standpoints of business organization, markets and market risk, marketing and competition, facilities and production, distribution, information technology, personnel, capital needs, and risk analyses,



engaging longtime partners in the areas of food processing engineering, information technology, and specialists in marketing to assist as needed.

Continued on next page >

> Continued from front page

MBG's board and bank approved the project and ground was broken in October 2012. Operations begin this month, April 2013, with early deliveries from MBG's growers in the Sun Belt and will continue through the end of the Great Lakes harvest in September. The facility is capable of handling 15 million pounds of blueberries a year plus other fruits and vegetables as capacity and the blueberry season allows. Crops such as asparagus, cherries, apples, bell peppers, and onions will be frozen for other growers in the region.

MBG's state-of-the art IQF plant marks a major milestone in the company's history and will serve as a model for future modernization and expansion efforts. Morrison & Company is proud to have had a part in it.



Welcome New Clients!



Work Truck Solution Offers Answer for the American Work Truck Industry

Work trucks, a truck chassis with a specially built body such as a contractor's truck, landscaper's truck, or small delivery truck, are big business in the United States. When Kathryn Schifferle discovered that this \$70 billion industry was unaware of their marketplace inventory and unable to effectively meet the needs of their customers, she knew there had to be a solution.

Just a few years later, Schifferle launched Work Truck Solution in Chico, CA, a proprietary cloud-based software business that aims to create dependable market and product information for the work truck industry.

Through her work as a business and marketing consultant for the National Ford Truck Club, Schifferle found that OEMs (truck chassis manufacturers) such as Ford, and companies that build work truck bodies on those chassis, had no way to track the finished vehicles. Though manufacturers and retailers of autos and light trucks have those systems in place, there was nothing available for the work truck segment of the industry. Furthermore, when the economic recession hit, many dealers were either not buying work truck inventory or just keeping the unfinished chassis on their lots. This made it difficult for customers and dealers to find these expensive customized vehicles.

Now, with Work Truck Solution's software, a dealer's work truck inventory is properly listed on the dealer's own website, with all truck information, including modified features, automatically included. In the near future, this software will allow dealers to access inventory from other dealers, as well as directly from the body manufacturers.

Ford Motor Company is one of Work Truck Solution's flagship strategic partners, with current business focusing primarily on dealers in the Northwest. Within two years, Schifferle plans to have the software rolled out nationally, in every major work truck market.

When Work Truck Solution raised a seed round locally of \$400,000 a year ago, they needed financial and accounting assistance to get systems and procedures established, plus financial and planning assistance. Morrison & Company assisted Work Truck Solution with these efforts and today Work Truck Solution has grown to a team of 13. Morrison & Company remains involved on an ongoing basis, providing outsourced financial guidance and accounting help as Work Truck Solution moves into their "A Round" of financing, to expand their market footprint and leverage interest they have received from other OEMs.

We are happy to be a part of Work Truck Solution's story and are inspired by their efforts to change the dynamics of the work truck industry for the better. If you are interested in more information about Work Truck Solution's current investment round, please let us know.



The Way We See It: Going Protean

A tactic to tackle the Affordable Care Act, or just focus resources

Michael S. Malone's 2009 book "The Future Arrived Yesterday" details a business model he calls the "protean corporation." As Malone describes it, a protean corporation employs only a small number of critical employees and functions; all other resources and services are outsourced so that they can be quickly adjusted to meet the company's needs. Like a protozoa, the corporation can rapidly adapt to changing circumstances; it is not encumbered with routine or easily outsourced functions that are not critical to its central mission.

A January 28, 2013 article in "The Wall Street Journal" by Paul Christiansen, founder of the web design firm Quorim, promotes the protean model as a tool for companies seeking to manage their costs under the Affordable Care Act ("Obamacare"). Christiansen notes that "Thousands of small businesses across the U.S. are desperately looking for a way to escape their own fiscal cliff. That's because Obamacare is forcing them to cover their employees' health care or pay a fine—either of which will cut into profits and stymie future investment and growth."

The Affordable Care Act requires companies with more than 50 full-time employees to provide health insurance or incur penalties. Very large companies will find it impractical to scale down to this level, but others are looking at ways to manage the impact. Many plan to scale back their staffing levels and many others have already started shifting personnel from fulltime to part-time positions.



The protean model offers a less painful option for some: retain the key employees responsible for the company's vision and mission and outsource more routine functions like IT, legal, finance, accounting, PR, manufacturing, and even marketing and product development.

The protean model predates the Affordable Care Act and there are other reasons for adopting some form of it. People are expensive, managing them can be daunting, unexpected departures can leave hard-to-fill gaps, needs may vary seasonally or for one-time matters, and "right-sizing" and other staffing level changes can be painful. Outsourcing can help manage these challenges.

Outsourcing can help manage these challenges. Many of our clients outsource functions ranging from IT to manufacturing.

Many of our clients outsource functions ranging from IT to manufacturing. In addition, Morrison assists many others with services including managing finance and accounting functions, strategic and long-term planning, annual budgeting and operational overview, reviews of business acquisitions and dispositions, and special planning and research projects. These services are scalable depending on needs, allowing companies to pay only for what they require and to concentrate their internal resources on core needs.

The protean model won't work for every company but it can be a valuable tool whether it's to manage the impact of the Affordable Care Act or just to more efficiently focus a company's resources.

Morrison Grants Database Now a Free Resource

Morrison Grants is a service provided by Morrison & Company that features a grants database with hundreds of grant opportunities listed in areas of food and agriculture, alternative energy, and the environment.

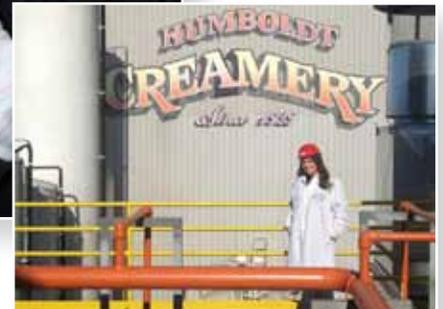
To better serve the needs of our clients and prospective grant seekers we are now offering access to the database free of charge.

The database is continually updated with new searchable federal, state, and privately funded grant opportunities and you can subscribe to receive notifications of grants that specifically meet the needs of your organization. Visit www.morrisongrants.com to check out this free feature and stay up to date on the latest grant opportunities!



Morrison & Company Tidbits

- Morrison & Company Consultant Toni Scott was named as the Chico Chamber of Commerce's 2012 Rising Star at the Chamber Annual Dinner in mid January. Toni was recognized for her strong involvement in the local business community and her commitment to professional growth. Previous award recipients include Mark Roberts of Springboard Biodiesel, a Morrison & Company client! Toni was also appointed to the Chico Planning Commission in late January by the Chico City Council.
- The first few months of 2013 were busy for Morrison & Company with the whole team attending a wide variety of conferences and events. Included are pictures of Morrison & Company Consultant Stacy Kennedy at the California Biodiesel Conference in February and Morrison & Company Managing Principal Brent Morrison at the Agricultural Council of California/CoBank Conference in March. Brent is pictured with Joe Turkovich, a Sunsweet Growers board member (left) and Brendon Flynn, a fellow Sunsweet Growers board member and general manager of Pacific Farms and Orchards (right).
- Morrison & Company Principal Geoff Chinnock and his wife Joelle welcomed their fourth child Joshua Robert on March 18. Joshua joins big brothers Jake and Caleb and big sister Abby. Congrats Chinnocks!
- In March, Brent Morrison, Geoff Chinnock, Toni Scott, and Tim Peters worked on a project for client Crystal Creamery (Foster Farms Dairy) and had the opportunity to spend several days at their facility in Modesto, California, as well as at their Humboldt Creamery operation in Fernbridge, California. Included in this issue are pictures of the Morrison team with Jim Austin, business analyst at Crystal, and Toni at Humboldt Creamery.



Morrison & Company specializes in planning and feasibility, interim/outsourced assistance, special projects, and grants.