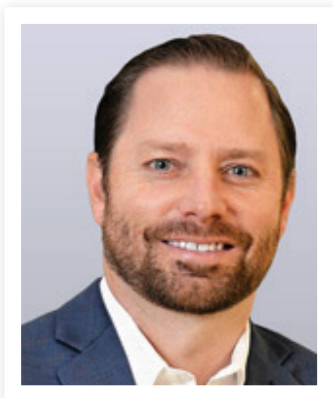


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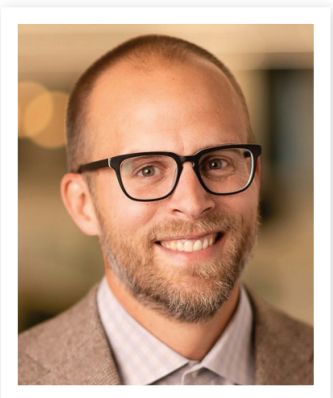
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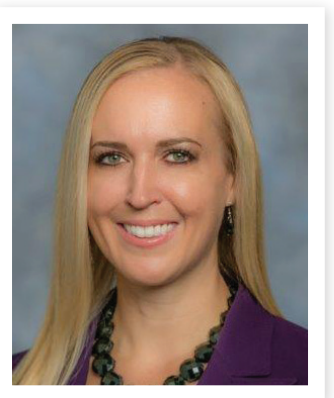
Quentin Blackford
Dexcom Inc.
Public
Large



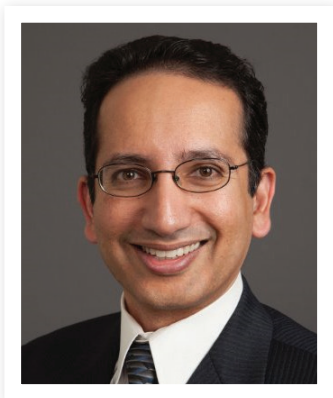
Matt Abernethy
Neurocrine
Biosciences
Public
Medium



James Howell
San Diego
Foundation
Non-profit



Ashlee Micale
SDCCU
Business
Non-profit



Naveed Hakim
Plum HealthCare
Private
Large



David Forster
ChefWorks, Inc.
Private
Medium



Eric Jenny
SOCi, Inc.
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Small



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Neurocrine Bioscience

Greg Archer
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Quentin Blackford
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dba Pure Vida Bracelets*

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Elizabeth Hougren
Ionis Pharmaceuticals

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Ashlee Micale
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LARGE PUBLIC COMPANY

Medical Device Maker's CFO Celebrates Team Successes

BIOTECH: Dexcom Achieves 40% Growth; Girds to Meet Future

■ BY BRAD GRAVES

As CFO, **Quentin Blackford** has been at the center of **Dexcom's** growth story.

The maker of continuous glucose monitors for people with diabetes has achieved nearly 40% year-over-year growth for the past three years. 2019 was also significant because it was the company's first entirely profitable year. "It was a big step forward," Blackford said.

But those successes haven't been his work alone. "I'm incredibly excited" about the award, Blackford said. "I think it's tremendous recognition of what our team and organization have accomplished. This is not about myself as we wouldn't be where we are today without the group. It's a much bigger testament to what we've accomplished as a team."

In addition to overseeing finance, Blackford took on the role of chief operating officer in October.

A Year of Achievements

Asked about professional achievements for 2019, Blackford said he and his team did a lot to position the company — from a financial perspective — to be opportunistic and strategic, and to act on opportunities. Dexcom finds itself competing against global companies, so speed and nimbleness are an advantage. Access to

Dexcom**Quentin Blackford**

capital and strengthening the balance sheet were priorities in 2019. "I think the team did a wonderful job," he said.

2019 was also a year to invest in growth, and to transition to a state of profitability for the full year. "That is nothing more than the entire organization being very thoughtful and disciplined," he said.

Blackford said the company spends a lot of its time educating employees about

how the company spends resources, and discussing better ways to invest those resources.

Matching Demand With Supply

2019 was also a year of adjusting the supply chain. Dexcom rolled out a new product in 2018. It was a success; however, demand outpaced supply. In 2019, the company was able to get ahead of demand with sufficient quantities to let the team drive top-line growth. (The business is seeing strong demand in 2020, particularly with the health care community's concern over the correlation of COVID-19 and diabetes.)

The company is fortunate to have a product in such demand, the CFO said.

The person who nominated Blackford for the CFO of the Year award described him as ethical and down to earth.

In addition to managing finances, Blackford works with the leadership team to create a positive culture at work. It is an aspect of the job "that is as important as anything we do," Blackford said, given the amount of time people spend at work. While celebrating successes, "we're very clear about accountability," he said. Having transparent and open conversations about employees meeting the mark, or not, is important. "We're trying to be transparent, authentic and highly credible," he said.

An Ear to Listen

He said he feels a manager's job is to listen to employees and to understand their desires and aspirations. A manager's proper reaction might be to help the employee and offer training. Alternately, a discussion might lead to a "tough conversation" that the employee's aspiration might not be realistic. In the long run, such a conversation will help both parties, he said.

Blackford's focus is not entirely on business. He and his wife give back to the community. The couple started a charitable foundation to serve underprivileged children in San Diego's North County region who have no access to opportunities. They are also active in their church. Dexcom, for its part, supports local organizations has offered supplies of personal protective equipment to organizations that need it.

Good Numbers

Dexcom's growth story might be better expressed in numbers. In 2019, the business reported total revenue of \$1.47 billion, a dramatic increase from 2015, when it was \$402 million. As of late July, the company was forecasting that 2020 would bring in revenue of \$1.85 billion — a 25% increase over 2019.

MEDIUM PUBLIC COMPANY

Co. Grows in Multiple Ways Under CFO's Guidance

BIOTECH: Abernethy Increases Net Income, Lets Employees Shine

■ BY BRAD GRAVES

Matt Abernethy joined **Neurocrine Biosciences** in late 2017. In the time since, he has played a significant part in the pharmaceutical company's growth story.

Neurocrine has grown its market capitalization and its shareholder value, as well as the number of its employees. In the last two-plus years, the company expanded drug development programs and worked to commercialize its products.

Abernethy has been instrumental in leading the corporate financial planning and strategy of the company and maintaining a strong financial position. Most notably, he succeeded in more than quadrupling Neurocrine's net income from \$70 million in 2018 to \$284 million in 2019 (the figures are non-GAAP — that is, outside of the standards that accountants and regulators call generally accepted accounting principles).

Making a Difference

"I feel honored to receive this recognition," Abernethy said, "but the award is really a reflection of having a great team and a company allowing finance a seat at the table to impact the entire business. Being CFO at Neurocrine is such a blessing and I feel quite privileged to be part of a team making a difference in the lives of many patients

**Matt Abernethy**

who struggle with neurological diseases."

Neurocrine specializes in targeting and interrupting disease-causing mechanisms involving the interconnected pathways of the nervous and endocrine systems.

Abernethy's highly effective leadership skills and ability to think critically have greatly contributed to the company's success. He has effectively led the company's commercial supply chain operations, which led to double-digit net income growth in 2019.

Abernethy has very strong relationships with the financial community, spearheading the investor relations function to ensure accurate and timely communication to shareholders. Over the past year, Abernethy also helped execute and fund more than \$200 million in licensing arrangements, which included novel gene therapy programs, and treatments for a rare form of pediatric epilepsy.

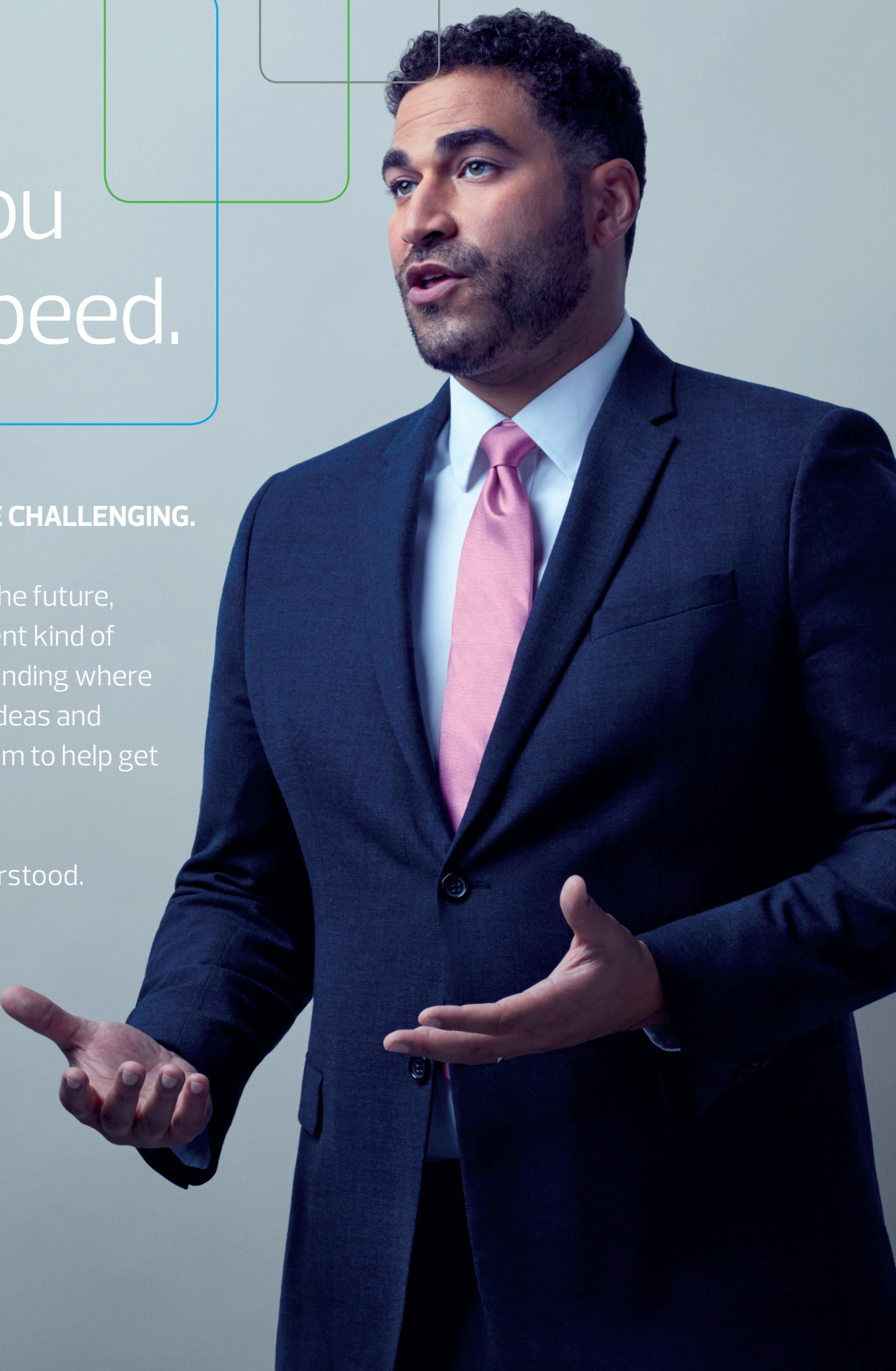
Abernethy embodies the Neurocrine Biosciences corporate values of passion, integrity, collaboration, innovation and tenacity. He is passionate about the work the company does for patients and has created a collaborative work environment across the company that is built on trust, accountability and integrity. His motivating and transparent leadership style has been instrumental in promoting conversations, championing initiatives for employees, further enhancing the productive culture. Abernethy is a leader who is seen as authentic and whose style is exemplified by a calm presence in the office. This has not only instilled confidence in his team to follow his example, but also positively shaped the company culture. In recruiting for Neurocrine, he is extremely mindful to screen, interview, vet and ultimately choose candidates he knows will fit well within Neurocrine's unique company culture.

Collaborative Nature

He is committed to employee development and building an environment of trust where employees can learn from successes, as well as the key lessons from failures. His collaborative nature has allowed for open communication with other functional leaders and helped build consensus around which areas to invest into to create value from operational investments. For example, he routinely gives praise to staff at board meetings for a job well done instead of claiming full credit for himself.

Abernethy previously worked for **Zimmer Biomet**, a medical device maker in Indiana. His roles included vice president for investor relations, treasurer and vice president of finance. He began his career with **KPMG LLP** and is a certified public accountant. Abernethy earned bachelor's degrees in accounting and business administration from **Grace College** in Indiana, and an MBA from the **University of Chicago**.

He is a member of the Biocom board of governors. He is also active in his local community; as a college athlete and active father of three, he is a passionate supporter of the Encinitas National Junior Basketball league, where he coaches both the 3rd/4th and 5th/6th grade boys' basketball teams. He is also an active member at the Coastline Church in Carlsbad.



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NONPROFIT

Foundation's Finance Chief Takes Many Management Roles

PHILANTHROPY: Howell Oversees HR, IT and a Loan Program

■ BY BRAD GRAVES

James Howell of **The San Diego Foundation** is not just an exceptional CFO. His peers describe him as a committed nonprofit professional with a passion for providing positive impact in the community. Those who know him also note that his job description surpasses that of a typical CFO: Howell is also an HR manager, an IT expert, an effective fundraiser and a leader — both inside and outside of The San Diego Foundation's walls.

In receiving his award, he paid tribute to his peers and co-workers.

"I am truly honored to receive the 2020 San Diego Business Journal CFO of the Year Award — Nonprofit, as there are many deserving nominees and it reflects so positively on a remarkable year of grant making, culture building, and growth at the San Diego Foundation," Howell said.

"I wish to thank our Board, CEO, Executive Leadership, and Finance & Investments Team, who motivate me in some new way, every day, as we address our communities' most pressing needs. This award is more about how WE inspire enduring philanthropy and enable community solutions, than anything I could do alone. To my wife and family, none of this would be possible, or nearly as special, without you."

**James Howell**

From a finance perspective, 2019 had several highlights.

The Foundation continued its organizational growth, surpassing \$1 billion in assets and \$1.2 billion in total granting since its inception. As CFO, Howell led a team that ensured

proper investment, management and distribution of The Foundation's assets. The Foundation completed a successful audit of its finances as well. Separately, The Foundation expanded its IT efforts with significant upgrades to databases and staffing dedicated to IT.

Keeping the Culture Positive

The San Diego Foundation underwent a transition at the CEO level in 2019. During the first half of the year — as The Foundation was still in its search — the leadership team, including Jim Howell, was responsible for retaining staff and ensuring a positive working culture.

Howell contributed to The Foundation's financial success by ensuring best-in-class management of its assets. He managed The Foundation's Finance Committee to make sure external expertise continued to inform The Foundation's financial decisions. Howell also contributed to the organization's financial success by being available to meet and speak with many of The Foundation's top donors.

Howell does not simply sit back and manage the foundation's assets. He consistently explores and collaborates on innovative ways for The Foundation to raise, and distribute, funds. One such example was The Foundation's low-interest loan to Operation HOPE in Vista — a nonprofit that provides housing

and services to homeless families. Rising interest rate payments were impacting Operation HOPE's ability to help homeless families in need. Howell traveled to Vista to meet with the organization and personally see its mission in action. He successfully deployed The Foundation's charitably funded Impact Loan Fund to provide a low-interest loan that allowed Operation HOPE to continue its growth and impact. Under Howell's leadership and vision, The Foundation has deployed its Impact Loan Fund to other organizations, and thanks to his innovative approach to philanthropy, fund holders at The Foundation has been able to provide additional support for these loans, which will be paid back into their funds when the loans are fulfilled.

Empowering People

Howell hires great people, empowers them to do their best work, and lets them shine. He often designates members of his team to represent Finance in important meetings both internally and externally. He has provided executive coaching to members of his team in an effort to support career development and professional growth. In his role as overseeing HR at The Foundation, Howell has explored organization-wide efforts to recruit and retain staff members, and to help them grow.

BUSINESS NONPROFIT

Credit Union CFO Grows the Business, Cultivates Talent

FINANCE: SDCCU's Ashlee Micale Puts the Numbers Into Perspective

■ BY BRAD GRAVES

Ashlee Micale, CFO of **San Diego County Credit Union**, is the winner of the CFO of the Year Award in the Business Nonprofit category.

Her highly effective leadership and strategic abilities have greatly contributed to the success of SDCCU over the past eight years. Her oversight of the credit union's investment strategy has driven a strong return for SDCCU. She has also transformed the organization's finance team and reporting capabilities so the organization and leadership team can make more informed decisions. Micale has directly contributed to SDCCU's growth rate since joining the credit union in 2012. That growth rate has been four times more than the national average, maintaining SDCCU's position as a top credit union in the nation.

SDCCU is San Diego's largest locally owned financial institution serving San Diego, Riverside and Orange counties.

"I am honored and humbled to receive this award especially among so many dynamic leaders," Micale said. "I'd like to thank my phenomenal team at SDCCU and the San Diego Business Journal. Congratulations to all the nominees and winners."

**Ashlee Micale**

Her professional achievements for 2019 may be best described by numbers: Total membership at the credit union increased by 4.5% to 421,986. Total assets were \$8.5 billion. SDCCU achieved a strong 1.12% return on its assets.

Under Micale's leadership, her team — which is comprised of accounting, finance, business intelligence, forecasting,

strategic planning and treasury functions — focused on three areas in 2019, which greatly contributed to the credit union's success. They are business intelligence, preparation for growth, and profitability and earnings.

SDCCU business intelligence progressed with the streamlining of data using software-producing interactive data visualization for many departments within the organization to help improve processes, efficiencies and service levels.

Micale and her team continued planning and strategizing in an effort to prepare for continued growth as SDCCU approaches the \$10 billion milestone. This included strategic, proactive portfolio management along with building SDCCU's collateral and liquidity positions to help mitigate risks and offset losses.

Analyzing Processes

Micale led SDCCU's efforts towards mindful and deliberate growth by focusing on targeted areas such as profitable lending and enhanced product pricing. Her team implemented a new centralized cash-forecasting tool, which reduced cash on hand by nearly 15%. Micale also implemented a new accounts payable solution for SDCCU, which reduced average turn time

by 20% despite volume increasing 24% during the same period. She and her team analyzed processes that were costly to the credit union and worked to cut back or automate where possible in those areas in preparation for an anticipated more challenging financial environment in 2020 and beyond.

As CFO, Micale encourages a supportive approach to functions of her team, helping to provide intelligent and actionable data to departments across the organization to enhance with a critical eye. Instilling that culture and mindset within her team has produced small changes that add up to big results and impact on the bottom line.

Positive Turnover

Micale aims to hire the best people and empowers them to leverage their own skills, backgrounds and experience to execute projects and make decisions to support organizational needs and objectives. She is dedicated to achieving success and developing leaders along the way, recognizing and promoting talent when necessary. Under Micale's leadership, she has seen positive turnover within her department as her direct reports are promoted to executive positions within SDCCU or accept executive roles such as CFO and controller at other organizations.



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—LARGE PRIVATE COMPANY—

Plum Healthcare's CFO Takes an Innovative Approach

HEALTHCARE: Hakim Is Inspired By Seahawks' Coach

■ BY BRAD GRAVES

In his relatively short time at **Plum Healthcare Group**, CFO **Naveed Hakim** has undertaken two very significant initiatives.

First, he led transformation efforts which successfully stabilized the company's financials by 2019. Starting in 2016, he designed, received buy-in, and then led the implementation of the transformation plans which helped avert a liquidity crunch and moved to stabilize the company's margins at an industry-high level. By November 2019 such efforts had improved capital availability in excess of \$100 million, and enabled the implementation of a unique capital structure.

Unique Capital Structure

This unique capital structure that Hakim designed and has put in place was two years in the making and took 15 months to execute given its complexity and size. The efforts were successfully concluded in December 2019. It resulted in one of the largest transactions of its kind with the United States government's Federal Housing Administration, provides unprecedented stability and financial differentiation for

**Naveed Hakim**

Plum versus its peers, and has added another multiple to the valuation of the company.

For those achievements and others, Hakim is the winner of the CFO of the Year Award in the Large Private Company category.

"I felt very grateful" receiving the award, he said. "To me it is a tribute to all of those who support me day in and day

out — especially our amazing team and our wonderful facility staff. This really belongs to them. I am also very thankful to my mentors and family for what they have taught me and their support, and paving the way for this accomplishment."

Can-Do Attitude

Based in Carlsbad, Plum Healthcare Group provides a broad spectrum of skilled nursing and assisted living services, physical, occupational and speech therapies and other rehabilitative and post-acute care services at 56 healthcare facilities. In 2019, the company had \$725 million in revenues and employed more than 10,000 people. At any given time Plum cares for 6,000 patients.

Hakim builds a strong culture which serves as the foundation for building very capable teams that then contribute to the organization's overall success. His teams exhibit a can-do attitude driven by self-accountability. He has modeled the culture after **Pete Carroll**, coach of the **Seattle Seahawks**, who is well known for creating high powered, overachieving football teams.

Hakim has also created a culture of experimentation and innovation. He calls these audacious initiatives "experiments" and they are led by his finance team. The goal of these initiatives is to push the team

and the company to drive innovation in a safe and trusting environment and quickly learn from the outcomes. It has also motivated the team to bring new ideas to the table and has resulted in quite high employee engagement by the finance team. Key innovations that have resulted from this process are the reduction of the close process by almost 50%.

A Successful Pivot

Hakim came to Plum from the financial services industry. He quickly learned the drivers of the healthcare industry and adapted his experience to develop a customized approach that worked in this space. According to the person who nominated him, it is rare to see someone from another industry come into the very complicated, regulated healthcare space and make such a material impact in the span of four years.

Having come from a low-income, disadvantaged background in India, Hakim is very passionate about eradicating extreme poverty across the globe. He and his wife Lisa started their own foundation (The Pryzym Foundation) 11 years ago to contribute towards this goal, and to help humanity where it is the most in need and to foster entrepreneurship in developing countries.

—MEDIUM PRIVATE COMPANY—

Chef Works CFO Grows Revenue to a Record \$105M

APPAREL: Forster Celebrates 10 Years At Private Poway Co.

■ BY BRAD GRAVES

David Forster is one of the driving forces behind the highly successful **Chef Works Inc.**, whose main business is uniforms for hospitality workers. Forster provides strategic direction for all financial and accounting activities, which contribute greatly to Chef Works' overall achievements, including generating record revenues last year.

Those who nominated Forster for CFO of the Year said he sets the standard for transparency, competence and commitment. Throughout his career, Forster has strived to be a finance leader whom his family, friends and colleagues would describe as a fair, honorable, selfless mentor and co-worker.

"I am extremely honored in receiving this award," Forster said. "It wouldn't have been possible without the great team that I have — not only the finance team but also all the other great people we have working at Chef Works."

EBITDA Growth Exceeds 20%

During David Forster's 10-year tenure, revenue increased from \$28 million to \$105 million. Compounded EBITDA

**David Forster**

(or earnings before interest, taxes, depreciation and amortization) has exceeded 20% growth.

Those who know him say Forster has created a culture of fiscal and budgetary discipline within the organization and provides strategic leadership to the executive team. He skillfully and objectively

manages the financial needs of the shareholders with the company's financial partners, whether that partner is a private equity firm, CPA firm or financial institution.

Based in Poway, Chef Works is the global leader in culinary and hospitality apparel with distribution in more than 90 countries. Chef Works dresses a diverse range of customers within the culinary and hospitality industries including international hotel chains, award-winning restaurants and bars, culinary schools, food service companies, laundries, assisted living facilities and upscale cinemas. Uniforms are appropriate for both front-of-the-house and back-of-the-house jobs.

Family owned and operated, Chef Works is credited with paving the way for the current culinary uniform movement by working directly with celebrity chefs, industry leaders and hospitality influencers to develop innovative, fashion-forward garments.

Acquiring a Distributor

Highlights of Forster's 10-year career at Chef Works include acquiring the business' Canadian sales distributor

in 2015. Forster was critical in the integration process.

In 2019, he continued to provide the strategic direction for all financial and accounting activities of the company, which contribute greatly to Chef Works' continued financial success. Under his leadership, Chef Works posted another record year of revenues and profitability in 2019, ending the year at \$105 million in revenues and \$14 million in EBITDA.

One notable achievement was attaining a record industry price/earnings multiple valuation for the company through working with an investment banking firm, and receiving 22 bids from strategic and private equity groups.

Forster is a resource for all Chef Works employees. He is actively engaged in mentoring and succession planning across the organization to promote a second generation of leadership.

Beyond Accounting

He continues to provide inspirational focus, encouraging all employees within the company, beyond the accounting and finance department, to grow within the organization and to achieve their personal goals.



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GOVERNMENT AGENCY

SANDAG CFO Pulls in Dollars to Keep County Moving

GOVERNMENT: Douzjian Listens to Advisers, Trusts Instinct

■ BY BRAD GRAVES

As chief financial officer of SANDAG, the San Diego Association of Governments, **Andre Douzjian** provides a consistently high level of excellence, demonstrated through sound financial management with intelligent risk taking and empowerment opportunities for his staff.

He is CFO of the Year in the Government Agency category.

"It's a big honor and privilege to win the award," Douzjian said. "I've won some other awards and recognition, but this one is a little more special to me because it's the work I've done as a CFO, day in and day out. It's unfortunate it happened over COVID. It would have been great to see and receive the award with my peer group."

SANDAG is a transportation and planning agency that serves as the forum for decision-making among the 18 cities and the county government within the San Diego region. It builds consensus; makes strategic plans; obtains and allocates resources; and plans, engineers, and builds public transportation.

In 2019, Douzjian helped position the agency to succeed in a rapidly changing transportation environment that historically had large funding fluctuations. A key part of his job is developing and

**Andre Douzjian**

implementing debt and investment strategies that deliver transportation projects and programs for the region in a fiscally sound and responsible manner. He is also responsible for budgeting and accounting for the agency, which includes preparing financial statements, reports and required audits. Douzjian has developed a broad and deep network of financial experts including financial advisers, banking syndicates, auditors and

attorneys who provide dedicated service and expert advice. However, Douzjian's own gut instinct and sense of timing have been particularly instrumental in successes achieved in 2019.

Deal of the Year

He led SANDAG to win the 2019 Bond Buyer Deal of the Year Award for the Far West Region for the issuance of Grant Receipt Revenue Bonds fully supported by federal Capital Investment Grant funds secured by SANDAG through a Full Funding Grant Agreement with the Federal Transit Administration. SANDAG is one of the first agencies to successfully securitize a New Starts Grant on a stand-alone basis in over a decade. While many advisers suggested an optional backing of the debt using local sales tax funds, Douzjian was confident that the SANDAG team could effectively make the case for this federally backed deal. He supported and mentored a new team member as they explained the federal funding program and why the risk to investors was low. He ensured the team worked hard but also celebrated the success upon closing the deal. SANDAG's innovative approach to financing the Mid-Coast trolley project has helped save millions of taxpayer dollars.

The 2019 Series A Taxable Refunding bond issuance resulted in more than \$90 million in savings for the San Diego region. This refunding was initially considered due to SANDAG's debt policy and market conditions that indicated potential substantial savings. However, due to volatility, a decision was needed very quickly. Douzjian assembled a team in record time and championed the effort to deliver documents to the SANDAG Board of Directors for approval. While in New York for the investor presentations, he suggested the pricing date be moved up by a day. This idea resulted in an additional estimated pricing benefit of approximately \$20 million.

Stretch Assignments

In the workplace, Douzjian empowers his employees and inspires them to take on stretch assignments. This includes challenging his team to successfully structure and communicate complex and innovative transactions such as the issuance of the Grant Receipt Revenue bonds. He has led employees by providing mentoring and cross training opportunities for staff within and between departments, facilitating job rotations and seeking out new ideas from the entire team. He fosters a team environment with a focus on meeting goals and requirements by working collaboratively regardless of job title or position.

SMALL PRIVATE COMPANY

CFO's Work Helps SOCi Get Off the Ground and Soar

TECHNOLOGY: The Numbers Look Good Under Jenny's Watch

■ BY BRAD GRAVES

Eric Jenny, CFO of **SOCi**, received the CFO of the Year award in the Small Private Company category.

"It's a very humbling experience to be recognized in this talented group of CFOs, each deserving of this award," Jenny said. "I may be the one accepting this award but it's not my accomplishment alone. I would like to dedicate the award to all the employees at SOCi and our customers. The dedication and hard work of our employees really made this all possible. It's a team effort."

SOCi is a social media and reputation management platform. The business has been growing very fast. Revenue has grown some 480% in the three years Jenny has been in charge. The business has scaled from 40 to 150 employees.

Jenny has been able to achieve this growth while maintaining a capital efficiency ratio of 0.78. In other words, for every \$1 raised in equity, SOCi has delivered 78 cents in recurring revenue to its shareholders. This excludes the Series C financing which closed the last week of December.

Venture Funding

Jenny played an integral part in closing the company's Series B and Series C equity

**Eric Jenny**

financing rounds for \$10.5 million and \$15 million, in 2018 and 2019, respectively.

A two-time Inc. 500 honoree, SOCi is the leading social media and reputation management platform built to address the complex workflow needs of highly visible multi-location businesses. An award-winning leader in the industry, SOCi has pioneered

more than a dozen unique marketing tools to help multi-location brands oversee, maintain and protect their brand at the national level, while simultaneously scaling presence across hundreds, sometimes thousands, of local pages.

When Jenny joined SOCi, the first thing he did was evaluate the company's systems, the data that was collected and analyzed, and the processes that were in place, or lack thereof, across the entire organization. Recognizing the need for a complete reconstruction, he overhauled the entire IT infrastructure of the company, implementing numerous systems that dramatically improved sales efforts, marketing efforts, customer and employee retention rates and data analytics. These new systems also drastically increased productivity and helped a five-person team essentially produce the same amount of work as a 10-person team.

The focus isn't only on technology. Jenny works to create a positive work environment, always looking for ways to improve company morale. He knows the value of a strong tone at the top. It is crucial for anyone in a management position to understand how influential their attitude and behavior is to the rest

of the organization, as it has a trickle-down effect. If all levels of management strive to maintain an ethical, honest climate, they will inevitably lead by example and employees will feel included to practice those same values.

Sharing the Benefits

In addition to the above, during his time at SOCi, Jenny has rolled out an unlimited PTO policy, 401(k) plan, and career path progression plans for each department. Through his implementation of the unlimited PTO policy, his goals were to empower the staff and demonstrative the company's trust in each of them and this has proven to be a very successful change within the company.

As a longtime resident of downtown San Diego, Jenny has taken a special interest in helping people experiencing homelessness. As easy as it can be to walk by those less fortunate than us and turn a blind eye, he is unable to ignore the issue and has sought out ways to help out. He joined the San Diego Rescue Mission in 2016 as a Home Team Member. He was especially attracted to this organization because it was more than providing temporary food and shelter.

TORREY HOLISTICS™

YOUR CANNABIS STORE

Vol. 420

Planning for Uncertainty

As the pandemic continues to progress, cannabis businesses must continually adapt to new regulations and changing consumer preferences.

As businesses continue to navigate the complex landscape of ever-changing consumer behavior, regulations, and economic recession wrought by COVID-19, the state-legal cannabis industry faces challenges that are both unique and consistent across traditional markets. From the threat of imminent shutdown back in mid-March to the quick pivot towards inclusion of cannabis businesses in the category of essential businesses, this rapid reversal illuminates the unclear status of the newly-legal recreational market, especially as governments recognize the critical nature of cannabis tax dollars as an economic buffer. Furthermore, as the line blurs between consumers' motivation for cannabis use in medical or recreational settings, many acknowledge that the industry does not appear to resemble any existing market. Instead, market researchers acknowledge that cannabis is situated somewhere between the Vice industry — alcohol and tobacco — and the Health and Wellness industry, which encompasses over-the-counter drugs and supplements.

Consequently, the biggest issue facing cannabis businesses since initial stay-at-home orders were placed is uncertainty around the future. This is reflected both by the government's response and by changes in consumer behavior. At Torrey Holistics, a cannabis store based out of Sorrento Valley, March 13th, 14th, and 17th saw unprecedented sales as consumers prepared for imminent shut down. A report from BDS Analytics demonstrates the extreme spike in California cannabis sales, with those on March

13th far exceeding those on April 20th (4/20), a widely-celebrated cannabis holiday.

Consumer product preferences are also shifting as a result of the pandemic. At Torrey Holistics, stocking up behavior led to an increase in the sales of ingestible products such as drinks, gummies and tinctures and a decrease in inhalable products possibly due to concerns around lung health making people more susceptible to contracting the virus. Consumers also purchased more raw flower and cannabis cook books possibly due to the revival of a DIY culture inspired trend towards making cannabis products from scratch such as infused cookies and brownies.

One of the biggest changes undergone by the industry has been the implementation of curbside cannabis pickup and the shifting emphasis towards delivery. Prior to the pandemic, Torrey Holistics completed 90% of its transactions in-store; since then, roughly one third of its customers make their purchases in-store and the other two thirds through delivery and curbside pickup. Implementing these changes seemingly overnight is a testament to the flexibility of workers entangled in an industry that already faces strict and ever-changing regulations from regulatory bodies working to catch up with a market that has existed for decades.

The fast-paced and constantly-evolving nature of the cannabis industry is compounded by the effects of COVID-19, but instead of desperation, Torrey Holistics' experienced employees utilize their



Dave Dallal, Torrey Holistics CFO

prior experience and skills to adapt quickly to the changing needs of the industry and of its consumers. They continue to offer many of their programs virtually, with private video consultations with their Cannabis Science Specialist Dr. Beth, Ph.D., online chat services, and an Ask the Specialist column updated weekly. Visit www.TorreyHolistics.com to learn more about their services or to place an order for delivery or curbside pickup.

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