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HOW ANALYTICS IS EMPOWERING CANNABIS CULTIVATORS AND MANUFACTURERS
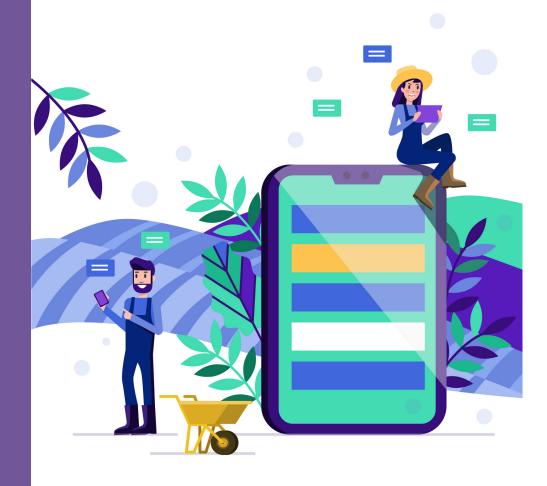
WHITE PAPER

INTRODUCTION

The past few years have been very volatile for the cannabis industry, with many companies emerging amidst radical changes in state and local legislature. Although the nascent industry presents a host of new and exciting opportunities, there's still a lot businesses have to learn if they want to capitalize on the market's potential.

In an effort to shift their strategies from reactive to proactive and meet the demands of the modern age, cannabis cultivators and manufacturers are seeking tools that allow for more-informed decision-making in a timelier fashion. Subsequently, more than ever before, they are investing in the power of their data and are using analytics platforms to help bring together their fractured company architecture and drive results that align with their marketing, sales, and financial initiatives.

In this white paper, we will examine the most impactful ways that cannabis cultivators and manufacturers are using data analytics to optimize and support their operations.

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INVENTORY MANAGEMENT

Most of a cultivator's bottom-line comes down to making sure that its supply reflects what consumers are buying. Tracking sales and inventory data is key to understanding what's selling and what's not, and in turn, providing the insight necessary to reduce stock-outs and overstocks. As the backbone of the cannabis industry, cultivators are responsible for facilitating which products end up on store shelves.

However, this requires insight into the dispensaries' perspective. For most cultivators, managing so many different feeds and attempting to consolidate them manually is simply too time- and resource-intensive. This is why many businesses are now employing analytics to optimize their inventory management.

On top of allowing cultivators to consolidate their data from various siloes into one unified and standardized feed, enterprise analytics platforms allow for precision forecasting through built-in predictive models. This is crucial for maximizing a business's ROI and reducing wasteful spending.

> PRECISION FORECASTING THROUGH BUILT-IN PREDICTIVE MODELS IS CRUCIAL FOR MAXIMIZING A BUSINESS'S ROI AND REDUCING WASTEFUL SPENDING.

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VIEW SALES DATA IN REAL-TIME

ALIGN INVENTORY WITH SALES PROGRAMS

ANSWER SPECIFIC MARKET-DRIVEN QUESTIONS

SALES PROGRAMMING

Proper inventory management doesn't mean much if a cultivator isn't capitalizing on it with effective sales programming. Unfortunately, cannabis cultivation inhabits a particularly complex sales landscape where account optimization is seldom a reality. To best navigate the dynamics of the highly regulated cannabis industry and identify which accounts are worth pursuing, brands need a comprehensive view of their sales data.

By analyzing sales and market data, cultivators are able to identify where revenue opportunities exist and strategize their market approach accordingly. Furthermore, analytics can also be used to track goals, enabling cultivators to have a laser focus on what they need to accomplish and allowing them to evaluate what's working and what's not in a quick manner.

Some analytics platforms also feature automated reporting, allowing cultivators to view their sales data in real-time and see how different divisions are performing. This transparency makes it easier for businesses to align their inventory with their sales programs as well as answer specific market-driven questions. With manual processing, cultivators often lack day-to-day visibility into how their programs are performing, and in-turn are unable address any problems or opportunities in a timely fashion.

CULTIVATION

Unsurprisingly, one of the most prolific applications of data analytics for cultivators is, well, cultivation. Every aspect of how a plant is grown has a direct result on its yield and end-product. Different strains have their own specific needs and ideal environmental conditions, and the only way to identify and satisfy these needs is by looking at the data. With the proper analytics platform, growers can get a clear picture of their facility's productivity and ensure that they're taking the right steps to maximize their yield and ROI.

Of course, any grower is already familiar with the importance of tracking the bigger metrics such as lighting, temperature, humidity, etc. But comprehensive analytics goes beyond just these individual stats — the end goal is getting a grasp on the big picture. Growers can use integrated data feeds to monitor their entire operation from one location, whether it be a network of IoT sensors to check soil quality or a systems controller to watch for malfunctioning equipment.

The market for recreational and medical cannabis is currently saturated with high-potency products, and the industry as a whole is moving more and more towards products tailored to generate specific effects. To keep up with the competition, cultivators need to utilize a solution that eliminates the guesswork involved in growing a world-class crop.

TO KEEP UP WITH THE COMPETITION, CULTIVATORS NEED TO UTILIZE A SOLUTION THAT ELIMINATES THE GUESSWORK INVOLVED IN GROWING A WORLD-CLASS CROP.

WAREHOUSING

As the cannabis industry grows increasingly complex due to new regulatory guidelines, so do warehouse operations. Making the most of your capacity and managing the many data feeds associated with the supply-chain requires flexible and comprehensive analytics.

Actionable data can provide distributors with the context needed for better warehouse management and enable improvements in areas such as shipping, inventory management, productivity, and order processing. However, without a dedicated analytics platform, businesses often lack the visibility to turn this data into tangible results.

Furthermore, any warehouse-based business understands the value in proper space utilization and optimized scheduling. At the end of the day, the faster you can get your product in the hands of your client, the faster you can bring in more revenue. Cultivators don't have the time or resources to waste on a disorganized and inefficient warehouse, especially when many of their products are perishable. Thankfully, with AI-powered analytics, cultivators can evaluate how to make the most of their available space as well as streamline incoming and outgoing shipments.

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LABOR SHORTAGE ANALYSIS

Major disruptions like the COVID-19 pandemic have resulted in a substantial labor shortage in the United States—an event now referred to as The Great Resignation. Due to the expensive costs associated with recruiting and onboarding new employees, more and more cultivators are turning to HR data analytics for retaining their workforce.

Due to its volatile nature and immature market history, employee retention within cannabis is particularly brutal. According to a report from Headset, the average turnover rate for budtenders in both the US and Canada is a whopping 55%, and its likely other businesses within the industry aren't faring much better. Much of this is attributed to burnout as a result of the industry's aggressive and rapid growth.

With analytics, cultivators can measure their turnover and retention rates, providing insight into how many employees have left their company over a set period of time. These numbers can be further broken down by whether or not the turnover was voluntary, how well-performing those employees were, and how turnover rates compare between different departments and managers.

In order to evaluate the risk of future resignations, cultivators can measure employee satisfaction and intent to stay through surveys, as well as evaluate compensation to ensure that employees aren't leaving due to inadequate pay.

With all that said, resignations are inevitable, and cultivators should be tracking metrics related to current openings and weaknesses in their workflow to identify where they need to direct their recruiting resources.

IN ORDER TO EVALUATE THE RISK OF FUTURE RESIGNATIONS, CULTIVATORS CAN MEASURE EMPLOYEE SATISFACTION AND INTENT TO STAY THROUGH SURVEYS, AS WELL AS EVALUATE COMPENSATION TO ENSURE THAT EMPLOYEES AREN'T LEAVING DUE TO INADEQUATE PAY.

CHOOSING THE RIGHT ANALYTICS PLATFORM

When you're ready to super-charge your decision-making and implement an enterprise analytics platform, there are many options to choose from. However, not all platforms are equal in the tools and resources they provide. Determining which platform is best for your organization comes down to what your long-term goals are and how you intend to reach them.

CannaBI, powered by Dimensional Insight, has established itself as one of the most powerful and comprehensive solutions in cannabis analytics. With built-in integration, KPIs, analytics, and visualization capabilities, we can not only help address your organization's data needs from start to finish, but we also do it better than other analytics companies.

WHAT'S OUR SECRET?

We are relentless. Our number 1 priority has always been our customers and what they need to succeed. We work with our customers to understand their strategic goals, and then work collaboratively with them to meet those goals. Whereas other companies will implement the technology and move on to other projects, we stick with our customers until they succeed, and then work with them again to realize success in future projects as well.

Experience. Our staff has spent decades solving customers' most daunting analytical problems and fine-tuning our platform to deal with the unique challenges of highly regulated industries such as cannabis.

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analytics

Our technology is powerful. We have optimized our technology to provide unparalleled speed, integration, flexibility, and governance. CannaBI provides an integrated set of analytical services that work together seamlessly to help you assemble and analyze the most relevant information. Other approaches that rely on multiple technologies lack the flexibility to meet the nuanced challenges of the cannabis industry. With CannaBI, you gain real-time speed, seamless integration of data sources, the flexibility to view data the way you want to see it, and the governance that provides a single source of truth for your organization.

There's a reason we're named year-after-year as an industry leader in both customer experience and vendor credibility in the Wisdom of Crowds Business Intelligence Market Study and get top scores in Gartner Peer Insights reviews. It's because we get the results our customers are looking for.

INTERESTED IN LEARNING MORE?

🌐 https://www.cannabis.dimins.com/

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CannaBI Analytics® is powered by Dimensional Insight.

ABOUT DIMENSIONAL INSIGHT

Dimensional Insight is a leading provider of analytics, data management, and performance management solutions, offering a complete portfolio of capabilities ranging from data integration and modeling to sophisticated reporting, analytics, and dashboards. The company's CannaBI® product has been built specifically with the needs of the cannabis industry in mind and helps integrate, analyze, and visualize all data from seed to sale.

Founded in 1989, Dimensional Insight has thousands of customer organizations worldwide. Dimensional Insight consistently ranks as a top performing analytics organization by customers and industry analysts in its core market segments. For more information, please visit https://www.dimins.com.

WE CREATE A POSITIVE IMPACT. WE MAKE A DIFFERENCE.

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