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THE 6

THINGS

YOU'RE DOING

That Burn Cash In Your
Dispensary Business.

Presented By



MyWeedSafe

Running a cannabis dispensary in the US today gives serious-minded entrepreneurs an unprecedented opportunity to build profitable businesses and create personal freedom.

With industry growth that is larger and faster than even the dot-com era, marijuana sales are projected to top 20.2 billion by 2021 as dispensary clientele expands, mainstream acceptance for recreational and medicinal use increases, and laws continue to relax nationwide.

And yet, similar to the extreme rise and fall internet-based companies experienced, 40% of all marijuana ventures are projected to fail.

Why?

- Poor inventory tracking
- Running afoul of the IRS
- Poor cash reporting procedures resulting in money laundering allegations

Ironically, one of the biggest reasons retail cannabis businesses go under is All...That...Cash.

Most mainstream retailers have adapted to the reality that today's consumer prefers credit and debit transactions over cash. But due to federal regulations, cannabis entrepreneurs are restricted to an all-cash business model.

The laws that prevent dispensaries from banking the influx of cash generated on a daily basis put dispensary owners at a greater risk for loss, errors, and inefficiencies that arise from:

- Poor onsite cash storage methods
- Employee theft that goes largely undetected
- The need to constantly arrange cash pickups or deposits
- No clear protection against fraud or counterfeit bills
- Disorganized receipts

Implementing better business processes helps reduce risk at your dispensary and protects your investment. Read on for the six common mistakes that will keep your business - and your hard-earned cash - from going up in smoke.

"...40% of all marijuana ventures are projected to fail."



1.

Not treating your business like a business



To be respected as a serious cannabis retail entrepreneur, store operations must be front of mind. Gone are the days of corner headshops being run like a hobby or a side project. Start with a well thought out strategy for how you and your employees, management, and you handle sales on a daily, weekly, monthly, and annual basis.

Next, take your numbers seriously by putting procedures in place for capturing important data related to your sales.

A Smart Safe, distributed by My Weed Safe, is a device the size of a fire hydrant that provides a secure location to store and track cash sales.

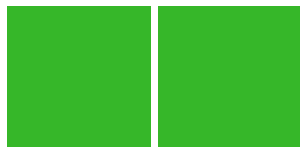
The numbers important to track daily are:

- **Daily sales totals** – this means ALL the cash you received, not just what made it into the register.
- **Daily sales totals per shift** – this holds your staff accountable, alerts you to any cash irregularities that could be a red flag to theft, and gives you valuable insights into your busiest and slowest times.
- **Daily sales totals per Bud Tender** - knowing this can show you who your most effective sales people are. The more attention you pay to your money and keeping it safe, the less you lose and the more it tends to grow.

"The more attention you pay to making money and keeping it safe, the less you lose."



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2.

Not tracking your financial transactions



"Running your business like a responsible owner means accounting for every penny that comes in and goes out."

Running your business responsibly means it's time to bring on a professional to manage your money.

To help ensure your business runs smoothly (and legally), hire a Certified Public Accountant who is knowledgeable about the cannabis industry.

It's crucial to keep track of the various accounts your business has for proper tax and reporting purposes, especially since your cannabis business has a stronger likelihood of raising red flags than a non-cannabis industry business.

A knowledgeable CPA should be able to suggest ways to set up a chart of accounts. Not only will good organization and impeccable bookkeeping be useful to your staff and management, they'll also help with any IRS problems you may run into.

A Smart Safe keeps precise track of the cash being deposited and provides printouts you can deliver to your accountant of all cash sales.

With the right systems in place, you will gain more freedom while feeling confident all cash transactions are being tracked and accounted for.



3.

Not having a clear plan to reduce risk



In the 1950s, notorious criminal Willie Sutton was asked why he robbed banks. He answered, "Because that's where the money is." The same could be said today for cannabis dispensaries, many of which have large amounts of cash on the premises at any given time.

No one wants to think about the possibility of theft, but it happens every day. Six-hundred dispensary robberies were reported in Denver alone during the first three years of legalization in Colorado. Having a clear plan in place can save you time, money, and heartache.

One important risk reduction precaution is having video surveillance on site. Some states require it; However, even if that's not the case, it's always a smart idea as it becomes your in-store eyes even when you're not present. For larger shops, an armed guard can be a worthwhile investment.

Adding a Smart Safe to your risk reduction plan keeps your business' cash largely inaccessible once deposited.

Unfortunately, when it comes to theft, many businesses have more to fear from their employees than from armed robbers. Internal theft is even more rampant in the cash-infused cannabis business.

A recent Pinkerton study found that up to 75% of all retail employees have stolen from their employer, many repeatedly.

A SmartSafe can help with this by giving each employee a unique login and counting the cash that they deposit from every transaction.

Other smart risk reduction practices include hiring locally, working with local vendors, and banning on-site consumption of your product altogether.

No one wants to think about the possibility of theft, but it happens every day.

4.

Not knowing
the regulatory
environment
you're dealing
with



Ever-changing regulations are a challenge to follow, but not doing so can cost you big in taxes and other penalties. Think marijuana is legal so you're in the clear? Think again: no matter what your state says, federal law still overrules state law, and it's not unusual for federal agents to randomly raid a marijuana operation even if it's legal in your state.

Not knowing the latest laws can make accurate cash flow projections impossible. For example, some state regulations limit how much a customer can purchase in a given time period. One multi-store dispensary in Denver had 26 locations indefinitely shut down for allegedly selling more than 10 times the legal amount allowed under state law.

Law also stipulates the security measures you must take, from installing video cameras to prohibiting your delivery people from making unplanned stops on their route.

Depending on where you live, medical marijuana licensing fees can range anywhere from \$1,000 to \$75,000. Add a 3%- 9% sales tax rate and it can add up to a hefty obligation. Fail to make all the proper payments on time and you could lose your license and be prohibited from re-registering your business.

Nothing kills the buzz in your business like an unexpected fine or even a shutdown. Ignore the rules at your peril.

"...Medical marijuana licensing fees can range anywhere from \$1,000 to \$75,000."



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5.

Not being agile
and up to speed in
today's dynamic
environment



With all the changes happening in the industry, both with laws and in the marketplace, you can easily miss out financially if you don't stay up-to-date.

New uses and trends are being discovered in the cannabis world every day opening more opportunity than ever. At the same time, technology advances and business trends provide the necessary tools and resources to solve problems in your business and help it grow.

Cannabis publications like Marijuana Business Daily can keep you abreast of what's new. And hardware solutions like Smart Safes - used primarily in mainstream retail businesses - are perfect when applied to new cannabis retail businesses that deal mostly in cash.



6.

Not having
a centralized Cash
Handling Process
for your all-cash
business



What happens when everyone who works in your dispensary - including you - handles cash differently, every time? You guessed it: chaos and lost revenue. You need a system for handling your cash, one that is documented, consistent and secure. Cannabis dispensary businesses have more employee turnover than most, so you need a repeatable process that new staff can follow without a big learning curve.

A Smart Safe enables a safe, repeatable cash-handling process that tracks your cash, keeps it safe, and works consistently no matter who is doing the transaction.

Courageously taking on an endeavor such as starting a cannabis retail business has its risks. But as we see increasingly, the upside can set you up financially for a lifetime.

Are you ready to reduce risk, increase efficiency, and centralize your cash handling for maximum security and profit in your cannabis business?

Schedule your FREE personalized cash-handling analysis:

Call: 800.333.4538

Email: sales@myweedsafe.com

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