

Beginner's Guide to ERP: Cannabis



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Are you considering starting a cannabis business? As demand skyrockets for both recreational and medicinal cannabis products, the industry is sustaining tremendous growth.

Starting a cannabis business requires having the right software at every stage of your operations. Your cannabis business needs a solution that addresses complex compliance, inventory management, seed-to-sale operations, and customer management functions. As the industry evolves rapidly, companies need scalable solutions that deliver a competitive advantage.

That's where enterprise resource planning (ERP) software designed for the cannabis industry can help.

In this beginner's guide to cannabis ERP, you'll learn about the powerful capabilities of industry-specific software and how it can help set your business on the right path.

**Grow your business
with an ERP solution
designed for the
cannabis industry.**

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Enterprise resource planning (ERP) software integrates all key functions of your cannabis business, including:

- Finance and Operations
- Seed-to-Sale Management
- Traceability
- Regulatory Compliance
- Patient and Customer Management
- Quality Control

With a cannabis ERP software solution, you have one source of data, integrated operations, and tools that empower collaboration and better decision-making. Stop using multiple systems to manage your cannabis business and integrate your financial, inventory management, operations, and sales software into a single, comprehensive software package.

CannaBusiness ERP from NextTec is built on the Sage X3 business management solution framework. CannaBusiness ERP offers a cloud-based platform that gives your business the following advantages:

- **Streamlined Technology.** Instead of buying software that manages all of your operations separately, a cannabis ERP system handles all business functions in one place. You can see your growing operations, financial management, inventory and warehouse, sales, marketing, customer service, and compliance functions all

within one ERP system. This not only saves money in terms of licenses and integration, it also saves you and your employees time by only needing to learn one tool.

- **Integrated Functions.** With a cannabis ERP solution, your financial, manufacturing, compliance, and inventory functions are fully integrated. Your business shares information readily, eliminates errors by stopping manual data re-entry, and provides transparency throughout the organization to fuel innovation and collaboration.
- **Cultivation Management.** Are you struggling with how to manage your grow operations? The right cannabis ERP software lets you track, measure, report, and analyze growing conditions, including light, light sources, pesticide and nutrient application, and watering from germination to harvest. Using the data in your ERP system, you can better understand how to keep growing operations economical and productive.
- **Real-Time Data.** Gain high-level and detailed visibility into your cannabis business. With a cannabis ERP solution, you collect, enter, use, analyze, and report on information in the moment, providing your employees with the most up-to-date information, including customizable key performance indicators, for better decisions.
- **Regulatory Management.** While cannabis is still illegal at the federal level in the US, states and local jurisdictions are continually adding and changing regulations that govern every aspect of your cannabis business. Similarly, though cannabis is now legal in Canada, it is highly regulated at the federal, provincial, and territorial level. To ease the regulatory burdens you face, you need a cannabis ERP solution that assists with the changing regulatory landscape. Manage your inventory, quality control, and finances with tracking tools and reporting that maintain full compliance across all jurisdictions.
- **Traceability.** For better operations and regulatory compliance, you need the ability to easily and reliably trace the sources and growing conditions of each plant, which products are used, and who your customers are. CannaBusiness ERP traces seeds, clones, and mother plants to provide you with insights and tracking tools. Achieve full traceability through the entire growing, hiring, processing, and packing cycle. Understand your operations better, become more productive, and understand customer demand.

- **Error Reduction.**
If your business relies on basic accounting software, you'll have to manually input tracking and financial data into your systems and those for regulatory agencies. With CannaBusiness ERP, you eliminate the need for multiple data-entry steps and reduce the risk of errors.
- **Tax Compliance.**
U.S. tax laws are complicated for cannabis businesses. IRS Section 280E, for example, prohibits cannabis companies

from deducting normal business expenses to calculate federal income taxes. Canadian cannabis taxes are likewise complex, with cannabis excise taxes, social responsibility taxes, goods and services taxes, and provincial sales tax to track. Ensure that your grow and retail operations are maximizing your legally allowable expenses to reduce your tax burden and that your ERP is tracking all the types of tax required for your cannabis business.



✓ Financial and operations management for your cannabis business

You need a solution that streamlines and automates your business finances. CannaBusiness ERP delivers functionality to keep a strong grasp on your financials, including:

- One system to manage finance AND operations
- Support for multiple operations, companies, legislations, and currencies
- Automated data collection technology
- Data and metrics across all key performance indicators, including costs, human resources, processes, and strains
- Dashboards, alerts, audit reports, and financial reports to manage your business more effectively

✓ Plant production processing management

Efficiency is key to managing your cannabis business. Manage your costs, values, and locations at every phase, from seeds to seedlings, vegetation to flowering, and harvesting. Track the complete plant life cycle. Your ERP software can manage:

- Dry trim and wet trim processing
- Tracking of drying, curing, extracting, manufacturing, testing, and packaging

✓ Seed-to-Sale insights and tracking

Your ERP solution should help manage all grow activities and maximize your resources. Use plant-level management tools to:

- Track plants from seedlings to sale and back for enhanced visibility
- Enable continuous grow operations with production scheduling
- Leverage RFID and barcoding tools that interface with leading traceability portals and reduce manual entry and errors

The right ERP software gives you real-time insights into every phase of production



✓ Manage your cannabis supply chain

Gain insights into your supply chain to manage resources, demand, and forecasting. With purpose-built cannabis ERP software, you can:

- Manage multisite global warehousing and logistics
- Improve Materials Requirements Planning (MRP) for inventory
- Forecast demand based on current sales and model future needs
- Integrate with leading dispensary point-of-sale (POS) systems

✓ Client management, marketing, and your cannabis business

Manage your recreational clients with an integrated system that supports:

- B2B & B2C e-commerce
- Customer relationship management tools with support for social listening

✓ Compliance and governance with CannaBusiness ERP

Ensure full compliance with a solution that tracks and reports on key measures for:

- U.S. state and Canadian province compliance tracking
- Canadian Cannabis Act and global regulatory support
- Synchronization with government reporting systems
- Reduction of time-consuming paperwork and clerical errors
- Comprehensive and scalable materials tracking
- Tax management technology

✓ Quality control and recall management

Make sure you have the right quality control measures in place and monitored closely to ensure your business can:

- Conduct real or mock product recalls in minutes
- Streamline the Corrective and Preventive Action (CAPA) process
- Create strain profiles using tracking of actual-versus-expected production tools
- Adhere to grower, producer, and supply chain standards with real-time tracking to the plant level
- Trace products to lot and serial number



How CannaBusiness ERP helps your business

A cloud-based ERP solution improves your cannabis business at every level. Invest in an industry-specific platform that eases operations and promotes growth.

✓ Streamline your operations

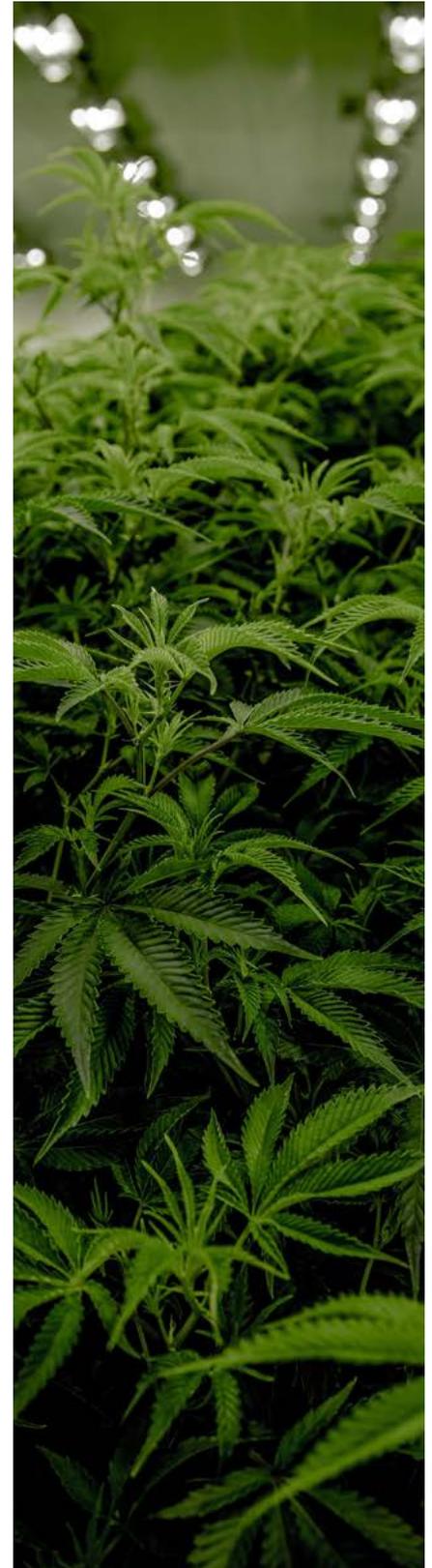
- Avoid production delays due to material shortages
- Handle complicated legal mandates with comprehensive tracking
- Optimize production scheduling
- Save time and money with automated business processes
- Improve cost management to mitigate tax regulations
- Maximize efficiency of your clone room

✓ Fast track your business

- Scale your startup business quickly
- Eliminate complicated IT infrastructure, servers, and additional staff
- Launch new products more quickly
- Adjust pricing and change production schedules to respond to demand and sales
- Gain deeper insights on your customers

✓ Grow with confidence & insight

- Deliver required government compliance reporting
- Link sales forecasts to production and raw material acquisition
- Give investors financial visibility
- Manage expenses and inventory
- Mitigate risk with strict security controls



Why choose CannaBusiness ERP

CannaBusiness ERP from NexTec is built on the powerful Sage X3 platform. It allows users to take complete control of their cannabis business. This solution is easy to use and lets you track all details from supply chain to sales. It gives you greater flexibility, efficiency, and insight as you move through your day-to-day business processes.

CannaBusiness ERP gives you a better way to manage your business on a global scale while saving money. It delivers fast, flexible, and simple processes for keeping up with financials, tracking the supply chain, and managing production.

Sage X3 offers more functionality purpose-built for manufacturers than many competitive ERP systems. Combined with the experience of NexTec's cannabis industry experts, it provides a powerful solution for your business and allows you to stay ahead of

competitors by placing the latest features at your fingertips. As regulations change, so will best practices. CannaBusiness ERP helps you maintain compliance while helping you discover insights to propel your business forward.

CannaBusiness ERP:

- Enables you to track records electronically in real-time. This reduces the need for paper records and reliance on employee memory to manage your corporate history.

- Adapts to your unique workflow and preferences with custom configuration for your business processes.
- Gives you secure mobile access to the applications you need to manage your business from anywhere at any time.

CannaBusiness ERP from NexTec is here to help you launch and grow your cannabis business with maximum operational efficiency.

Contact us and schedule a demo to learn more.

About NexTec Group

NexTec Group is an award-winning business software consulting firm with over 24 years in the agriculture and food industry, helping companies streamline food safety processes and ensure compliance. We specialize in implementing ERP, CRM, BI, Cloud and On-premise solutions that can manage product recalls and customer issues, track products, reduce food waste and improve operations.

Contact us for a demo at cannabusinesserp.com



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