



A CANNABIS-INFUSED MANUFACTURER'S GUIDE TO INTEGRATED SOFTWARE



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It's no secret that the cannabis industry is booming. A recent report by industry research group New Frontier Data anticipates [the market value of the U.S. cannabis industry to reach \\$30 billion by 2025](#).

Part of this growth is being spurred by more states introducing referendums on the legalization of cannabis products, which will allow expansion into new markets. Other triggers for this high-growth industry include more breeders and cultivators entering the market, as well as the increase in ancillary services like packaging producers and equipment manufacturers.

Overall, [this growth is good news for manufacturers](#) who are eager to ramp up the production of cannabis-infused edibles and other products. Looking through a financial lens, growing cannabis businesses require more than simple accounting or seed to sale software to manage the complexities of running a successful manufacturing business. They need software that will not only manage financials, but also ensure

compliance, address GMP standards and guarantee end-to-end traceability.

Edibles and cannabis-infused product manufacturers can benefit from software functionality that merges food-specific features with cannabis-specific ones. The right software solution can become a strategic business investment that helps to manage costs, improve data visibility and ultimately increase profits. The best solution is [industry-grade software built specifically for cannabis businesses](#).

Here's a closer look at how Enterprise Resource Planning (ERP) software helps cannabis-infused product manufacturers streamline operational efficiency and manage growth.



What Is ERP Software?

In short, ERP software is a single system that manages your entire business. For cannabis-infused product manufacturers, this includes finance and operations, production management, governance and compliance, distribution and inventory, product recall readiness and more.

The goal of an ERP is to connect business processes and data into a single solution. Departments are no longer reliant on their own systems, but rather contribute to a larger ecosystem of information. As a result, you create complete end-to-end traceability of operations, giving you greater control and insight into your business.

A common theme among all ERP systems is the ability to help companies quickly adapt to changing markets and needs. This is especially critical for companies in the cannabis-infused products industry, as laws and regulations continue to evolve and consumer demand for cannabis-infused goods continues to skyrocket.

Many industries rely on ERP as their all-in-one solution, from food and beverage

manufacturing to healthcare to hospitality and professional services. However, the functionality in different ERP systems varies as much as the industries they serve. The needs of a manufacturer of electronics, for example, will be much different than those of a cannabis-infused product manufacturer, and it's important that each business chooses a solution that is tailored to its industry.

Instead of relying on an out-of-the-box solution that requires dozens of customizations to work for a cannabis-infused product business, we recommend a system that is purpose-built for the cannabis industry and includes the functionality and features cannabis manufacturers need to grow.



Why Industry-Specific Functionality Matters

The cannabis-infused product manufacturing industry is one that is under heavy government and public scrutiny. The margin for error is very slim, which is why it's essential that companies have a systematic, organized approach to business operations.

The best ERP solutions come with features and functionality that are purpose-built for the unique requirements of the cannabis industry. These features include:



Finance

The rapid growth of and consumer interest in the cannabis industry is not a guarantee that manufacturing companies will be financially successful. Keeping a steady finger on the financial pulse of your operations can help you identify cost-saving opportunities without cutting corners.

With the following features found in an ERP solution built for the cannabis industry, decision makers can:

- » Avoid complexities created by multiple currencies
- » Monitor intercompany transactions
- » Manage multi-company finance and operations from a single system
- » Track costs to better understand which product lines are most profitable and adjust accordingly
- » Generate custom dashboards that display real-time financial data that matters to you
- » Understand how inputs and outputs correlate





Operations

As a cannabis-infused product manufacturer, it's critical that you have the tools to make the best possible decisions about production. Turning raw materials from suppliers into market-ready products is complex, and with the help of software built for cannabis processing, you can:

- » Make better decisions about production with real-time access to operational and financial insights
 - » Simplify production scheduling and minimize production line setup
 - » Ensure safety with full lot and serial traceability and comprehensive allergen management
 - » Improve operational efficiency and reduce production waste
 - » Utilize production sequencing functionality to help plan work orders
 - » Integrate quality control for inspections to assure conformance to specifications
 - » Ensure packing and labeling consistency at the product level
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Governance and Compliance

Partly because the cannabis-infused product industry is still in its infancy and partly because of the sensitive nature of the product, the industry is carefully scrutinized by government agencies. Compliance is of the utmost importance, and ERP software can help keep you compliant with the following functionality:

- » Support for GMP standards, global compliance and scalability
- » U.S. state and Health Canada compliance reporting
- » Management of varying reporting requirements for operations across regions
- » Communication with state regulatory agencies
- » Automation of CTLS data generation and collection using Metric on a monthly basis





Product Recall Readiness

No cannabis-infused product manufacturer wants to find themselves at the center of a recall. However, the way you respond to a recall can help to preserve your reputation and minimize financial losses.

Using an industry-specific ERP solution, you can do the following:

- » Generate mandatory, voluntary or mock recalls
- » Perform internal, external or work center recalls
- » Search for all products and lots associated with a recalled material using traceability functionality
- » Provide insights into recalled stock and recalled shipments
- » Freeze affected inventory using a special stock status
- » Generate CRM calls and print recall letters to follow up with customers who have received recalled products
- » Use product recall data to address potential issues and prevent future recalls Distribution and Inventory



Distribution and Inventory

The supply chain for cannabis-infused products is one that is still being refined as the industry matures. Stay ahead of changes in distribution and inventory best practices with features that help you:

- » Gain visibility into the cannabis supply chain
- » Coordinate shipments to maximize efficiency and warehouse space
- » Quickly create new sales orders and track fulfillment status
- » Integrate warehousing and logistics systems in one central management platform
- » Manage multi-site global operations
- » Improve inventory management, including across multiple warehouses
- » Use integrated distribution and inventory data to strengthen forecasting accuracy
- » Connect with leading cannabis-focused point-of-sale (POS) systems

Merging Cannabis and Food and Beverage Manufacturing

Cannabis-infused product manufacturing companies share some commonalities with food and beverage manufacturers when it comes to recipe management, traceability or packaging. While there is an overlap between the two industries, cannabis manufacturers require industry-specific functionality only a purpose-built ERP solution can provide.

The benefits of an industry-specific solution that connects departments, data and processes into a single system include:

- » Operations are streamlined and simplified
- » Overhead costs are reduced
- » Financial and operational decisions can be made with confidence using real-time data
- » Companies can shift as consumer demand or compliance regulations change
- » Product traceability can earn consumer and vendor confidence
- » Product recalls can be initiated in minutes
- » Companies can learn more about their customers to tailor product offerings and maximize revenue

Cannabis-infused product manufacturers need software functionality that merges food-specific features with cannabis-specific ones. With software built for both industries, manufacturers gain visibility into their operations and ensure they remain compliant, efficient and profitable.

[CannaBusiness ERP](#) is created by NexTec Group and built on the powerful Sage X3 platform. It is designed by cannabis and technology experts and is equipped with all the functionality you need to run a successful cannabis manufacturing business. With years of experience in both the food and cannabis industries, our NexTec experts understand the complexities of each industry and how they merge in cannabis-infused product manufacturing. To learn more about how CannaBusiness ERP can help your company succeed, [contact us](#) today.





Get in touch with our
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About CannaBusiness ERP from NexTec Group

CannaBusiness ERP is a solution built on top of the Sage X3 platform and delivered by NexTec industry experts. Over the past 25 years our ERP and business process experts have helped organizations across North America streamline business operations and lower costs. Recently, our specialization in developing solutions for the cannabis cultivating and processing industry has resulted in some of the most respected cannabis companies around the world managing their day-to-day operations and delivering products off our platform. CannaBusiness ERP by NexTec is the go-to answer for cannabis cultivators and processors seeking a software platform built to help you grow.