



Aptean Process Manufacturing ERP

Blazing a Trail: How Process Manufacturers Can Create New Opportunities in Cannabis





Blazing a Trail for Legal Marijuana

Very few substances have undergone a bigger public transformation than cannabis.

Once considered a 'gateway drug' and socio-economic problem-driver, marijuana is now recognized as a valuable way to treat medical and emotional conditions. And this turning tide is driving new business opportunities.

Now is the ideal moment for process manufacturers in the cannabis space to scale-up your operations. And for nutraceutical and dietary supplement manufacturers to diversify your product offerings into cannabis products.

But legal marijuana is not 'just another' emerging market. It's a complex industry, with unique supply chain influences and tightly regulated raw materials. How can your manufacturing business navigate these complications?

In this ebook, we'll look at the key factors impacting marijuana cultivation, product development, sales and distribution. And we'll share how to optimize your processes through the use of cannabis enterprise resource planning (ERP) technology, to maximize production and promote profit.

**"The global legal marijuana market
expected to grow by \$27 billion
between now and 2024."**

Infiniti Research Limited

CBD Sparks Interest in Legal Cannabis

Shifting public perceptions of cannabis have mainly been driven by CBD.

Mainstream interest in CBD products has risen steadily in recent years, as people feel more comfortable using cannabidiol to treat everything from physical pain to depression and anxiety. This normalization has been enhanced by medical research linking CBD with the treatment of chronic conditions; it has even been identified as helpful to reducing inflammation caused by COVID-19.

Alongside the global appetite for CBD products, the political movement to decriminalize cannabis has gathered momentum. In the US alone, 35 states and the District of Columbia have legalized marijuana for medical use, and 15 states allow adults to use the drug for recreational purposes.

It's not just North America where legislation is changing, either. Canada, Colombia, Croatia, Jamaica, Netherlands, Portugal, South Africa, Spain and Uruguay are among the countries that have either legalized or decriminalized marijuana in some format.

And the international cannabis landscape grows more liberal all the time. Mexico recently passed a bill to legalize recreational marijuana, while Brazil has also opened up conversations around changing the law.



**“22% of people
have tried over-
the-counter CBD.”**

Management Science
Associates, Inc.



Growing Your Cannabis Product Capabilities

Consumer acceptance and legislative tolerance is great news for manufacturers eyeing opportunities in legal marijuana. But with uncharted territory comes new and complex challenges.


Whether you're operating in cannabis cultivation and production already, or manufacturing cannabis products for the first time, there are unique factors to consider if you want to thrive in this sector long-term.

Challenge 1: Supply of Raw Materials

Any industry that includes cultivated components will always be impacted by fluctuation; one bad crop can throw your supply chain out of sync. To mitigate risk, there are two things process manufacturers need to consider:

- › 1. How will you manage your network of growers to encourage the best quality crop?
- › 2. How will you find an alternative if your usual supplier can't deliver as expected?

The key to sourcing good quality raw materials is cultivation management. Tracking factors like climate, moisture content, lifecycles, fertilizer and nutrient applications, light cycles, space and harvesting techniques, to optimize growing conditions.



By understanding what circumstances produce the **best yield of each strain**, you can **reduce your vulnerability to supply shortage**.



Reacting to Real-Time Material Challenges

With so many variables to consider, process manufacturers need a simple way to centralize and make sense of production data.

A cannabis ERP system with built-in cultivation management enables you to track and record detailed crop information – to optimize yield and support regulatory compliance.

Critically, ERP also helps you to build a robust supply chain. Centralized ERP software is more than just a little black book; it empowers process manufacturers to manage multiple suppliers and solve problems – including the availability of crops, additives, ingredients and packaging – in real-time.

With instant access to detailed information on suppliers' competences and capabilities, you can select the best 'plan B' based on your budget, lead time and delivery requirements. This way, you're not grasping at straws to keep your production line running. You're finding high quality, readily available alternatives – even at the last minute.



“The globalization of cannabis is inevitable... organizations will need to implement smart planning in key business areas to build value and thrive in this burgeoning new market.”

Deloitte




Challenge 2: Tight Industry Regulation

Process manufacturers are used to dealing with regulatory red tape. But the fact that marijuana is still a classified substance in some formats and regions means the legislation surrounding cannabis products is incredibly strict (and constantly evolving), and can vary by locale.

For example, most countries where marijuana can be legally grown require plants to be monitored via track-and-trace or seed-to-sale technology, from approved state-approved software vendors such as METRC, Biotrack THC and Leaf Data Systems. This enables regulatory bodies to control product potency.

The type of products being created by cannabis manufacturers also adds to legal complexities. For example, medical usage – such as [epilepsy treatment](#) – edible products, infused beverages, cosmetics and supplements are all subject to additional, industry-specific compliance.

In addition, there are tight regulations around how cannabis products are labelled and marketed – and these vary not just between countries, but across different US states. Regulating bodies may be quick to act if companies disobey the governance.



In order to meet **latest industry legislation, real-time visibility and traceability** is critical for process manufacturers.

Trust is Built on Complete Traceability

Purpose-built cannabis ERP software includes regulatory compliance features that integrate with seed-to-sale solutions for accurate, timely metrics and batch control. So you can easily provide information on quality and strain, along with terpene profiles and THC and CBD potency.

One advantage of choosing industry-specific ERP software is that functionality has been developed to produce complex products. For example, solutions include recipe management tools with revision controls, to make sure ingredients, quantities and processes are compliant.

Formulation requirements for medical and recreational products can also be carefully managed using dedicated cannabis ERP technology, and packaging labels quality controlled for consumer confidence and batch traceability.




Managing all activities through a **central ERP system** **enables** your business to **recall faulty batches** if there is a problem – **minimizing reputational damage.**

Creating a Confident, Compliant Cannabis Manufacturing Climate


Meeting legislation does more than just keep manufacturers on the right side of the law. It helps you to gain public trust, as people want to know that you're creating cannabis products in a controlled and compliant manner.

Even when your products have been made to standard, there are still tight regulations surrounding testing procedures, transportation, tax payments and waste disposal. And these may not be the same in every jurisdiction your business operates. Additionally, there are distribution and logistical restrictions for you to consider and manage, including complex shipping regulations – which can affect delivery lead times.

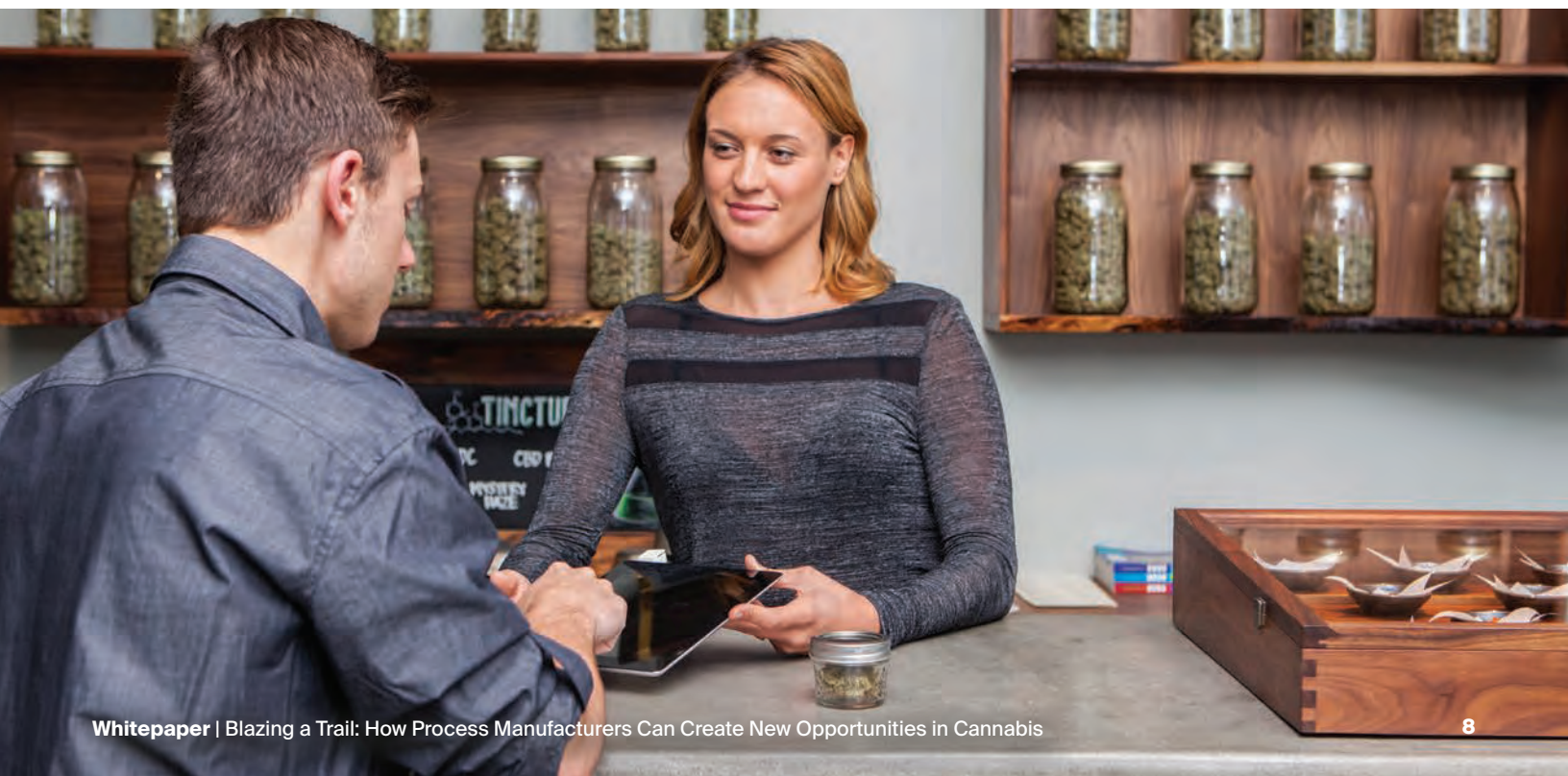
Cannabis ERP software supports the compliance process from end-to-end, as it's accessible to your entire organization. Real-time data is available to every person, for primary purposes they require, with proper security and permissions, during the product manufacturing lifecycle – including distribution and safe disposal.



ERP also helps process manufacturers to **standardize and document** your safety procedures, to create **trustworthy, consistent products.**



And software can be updated as industry legislation evolves, to continually mitigate the risk of unsafe products getting to market.



Challenge 3: A Competitive, Rapidly Scaling Market


Emerging sectors are exciting. But they are also a threat – particularly to manufacturers currently operating in the cannabis space, as market saturation can erode your competitive edge.

As the world wakes up to the benefits of controlled cannabis products, specialist process manufacturers will face stiff rivalry from manufacturing businesses in related sectors who want a slice of the action, such as tobacco and alcohol.

Already in 2021, we've seen industry heavyweight Molson Coors team up with HEXO Corp to launch *Verywell*, a sparkling CBD water. While tobacco giant, Altria, [filed two patent applications](#) in 2020 for cannabis-specific vaporizer devices.

Whether you specialize in cannabis products already, or you're investigating the opportunity, speed, efficiency and cost optimization will prove critical to maximizing your market share.

And as consumer demand builds, your business will need the capacity to scale production quickly – which may put current systems and processes under unsustainable pressure.



Cannabis ERP technology supports **rapid business growth**, by enabling process manufacturers to keep **tight control over your material** availability and cost, **maximizing profit margins**.

Retaining Your Competitive Edge

The secret to long-term success is investing in a holistic ERP solution, which manages every element of preparation and production – from real-time stock levels and ingredient shelf life, to quality control and product loss.

The most sophisticated software on the market maps job orders against data intelligence, to support planning and purchasing requirements. This level of demand planning improves manufacturing operations on two fronts:

- 1. Day-to-day, manufacturers can accurately plan your production line activity and manage material resources.
- 2. Over time, you can understand purchasing trends in order to identify emerging trends and predict demand peaks – so you're ready to meet consumer appetite.

Challenge 4: Diversification of Products

Increased demand isn't just accelerating industry competition; it's challenging brands to become more creative in the legal cannabis products being offering to consumers. And for manufacturers, this means greater diversity on the production line.

As the market grows, so will the number of SKUs: process manufacturers could be involved in the production of everything from oil, capsules and vapes, to beauty products, edibles (such as candies and gummies) and infused beverages.

Some of the most recent cannabis innovations include Wunder, a Canadian low-dose, low-calorie natural drink for health conscious consumers, and Wellphoria CBD shampoo.

In a fast-moving industry, real-time data intelligence is critical – and the manufacturers who invest in ERP technology first are more likely to stay ahead of the curve, and ahead of the competition.



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Driving Efficiency and Scalability


As we've touched on already, cannabis ERP software provides process manufacturers with insight into market trends. However, it also gives you the flexibility to react to that insight – adapting your operational processes to accommodate multiple product types.

But adding more SKUs to your manufacturing roster increases the pressure points across your business. Smarter schedules, quicker changeovers and efficient decision-making are all critical to maximizing your market share.

Equally, when you're running at speed, the impact of equipment downtime or inefficient processes is much more pronounced.

ERP software delivers the real-time data insights that manufacturers need to understand when things aren't running smoothly – and to make corrective changes quickly and efficiently.

And if your chosen cannabis ERP solution is cloud-based, you can incorporate new functionality and users into the network as your business grows, to expand manufacturing services in line with demand patterns and changing customer tastes.



Cannabis ERP is a complete solution for managing and optimizing every moment of processing, from seed-to-sale.



Good Technology is a Game-Changer

Like a ship changing course, public perception of cannabis is slowly moving away from the alternative to the mainstream to an accepted, effective, controlled substance used to support everyday wellbeing.

This changing viewpoint is exciting for process manufacturers. But with challenging raw materials, tight industry regulations and a proliferation in products, manufacturing organizations will need to be on-the-ball to compete in cannabis.

If you want to thrive in this young, dynamic sector, robust technology is essential.

Industry-specific software will enable your business to drive cultivation, improve purchasing, manage inventory, control manufacturing and packaging, and be smart about distribution – and report successes via built-in analytics. And it can integrate with state mandated track-and-trace software via API or other data exchange methods, for total compliance.

By using technology to stay accountable to colleagues, regulators and your customers, manufacturers can grow your cannabis product capabilities confidently, whatever you're producing and wherever you're supplying. Blazing a trail in one of the world's fastest-growing markets.



Aptean Process Manufacturing ERP: Optimize the Cannabis Manufacturing Process, From Seed-to-Sale

Aptean Process Manufacturing ERP gets process manufacturers future-ready. Our cloud-based software has been developed specifically for the legal cannabis industry to help you optimize performance, from seed-to-sale:

- › Gain complete visibility across the business to capture and use critical data
- › Enhance demand planning, scheduling and maintenance to optimize production
- › Increase supply chain flexibility to ensure material availability never stops work
- › Analyze cultivation conditions and process efficiency to increase profit margins
- › Deliver relevant, real-time, 360-degree insights through a central dashboard
- › Enable complete traceability and quality control for legal compliance in every territory

The global cannabis market will be worth **\$27 billion by 2024**. Let's get your business ready for what's next, now.

Get in touch >>



Aptean: Building specific solutions for your business

In the world of enterprise resource planning software, we are the experts.

At Aptean, we know our clients' industries inside and out. And every day, we put this deep knowledge to work by creating hyper-niche ERP software solutions that enhance your operational efficiency—and drive better results for your business.

As by-your-side partners, we provide the critical support you need, every step of the way. That's why over 5,000 highly specialized organizations from over 20 industries and 54 countries rely on us to help them streamline, save and scale.



Are You Ready to Learn More?

We'd love to show you how to get ready for what's next, now.

Contact us at info@aptean.com or visit www.aptean.com.



About Aptean

Aptean is one of the world's leading providers of industry-specific software. Our enterprise resource planning and supply chain solutions are uniquely designed to meet the needs of specialized manufacturers and distributors, while our compliance solutions serve specific markets such as finance and life sciences. With both cloud and on-premise deployment options, Aptean's products, services and unmatched expertise help businesses of all sizes, across many industries, to scale and succeed.

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