Bring Visibility to your Cannabis Business and Investors

Finance departments in the Cannabis Industry are finding themselves under an ever-increasing level of pressure from regulators, investors and from within the company itself. The industry continues to grow in leaps and bounds, firms must be nimble, profitable and financially precise to stay ahead and avoid surprises.

This can be problematic for a finance department. Having an integrated ERP (Enterprise Resource Planning) system can help by delivering more complete visibility, not only in the finance department but through faster, more accurate financial management the visibility can be extended to investors providing much in demand transparency.

Because a true ERP system brings real-time, unified financial data to your cannabis company providing increased accounting transparency across the whole organization. This can facilitate faster closes, lower transaction costs and working capital optimization, in addition to ensuring State and Country compliance needs are met.

All areas of a cannabis business improve with the help of a modern integrated ERP system, but the finance department might be the biggest winner (and lets not forget Investors/Owners).

Here’s why.

1. **Centralized Data for a Complete Picture**

   Cloud-based ERP houses all of a firm’s data end-to-end, acting as the nerve-center for a business. This greatly facilitates financial visibility, because it automatically brings together all data creating a single source of truth for easy reporting and analysis.
With a single repository for all data, reporting consistency and reliability is improved for legal, segment, and management reporting. Central management and real-time access to all inventory and bank-related information and accounts make it easy to conduct forecasts and manage cash and liquidity, as well as optimize inventory and product margins.

2. **Real-Time Access**

ERP systems connect all business processes within a company, linking together processes across the entire value chain. This means that cultivation, processing, distribution and retail are all automatically updated to the general ledger and subledgers for faster and more complete insight.

Since all financial data is recorded automatically and stored in the cloud, the finance department (and other stakeholders) also gains real-time data access from a cloud-based ERP system. This greater visibility helps shorten reporting times and creates a transparent 360-degree view of the business. Real-time access to inventory, sales, collections, disbursement and other financial activities also helps with cashflow management and optimization.

3. **Better Audit Trails**

Financial and Compliance auditing is much easier when businesses use a modern integrated ERP solution. ERP systems automatically generate a transparent audit trail, including drill-down functions for top-level aggregated figures, detailed subledger postings, original data for a given business process and changes to data. Auditing is significantly easier with a integrated cannabis ERP system.

Role-based system access also tracks and limited what data is accessible for a given employee, limiting fraud and security issues.
4. Improved Forecasting

Better visibility into the future also comes with having a complete, seed-to-sale ERP system in place.
By having all company information in one place, it is easier to run analytics against company data and project out forecasts. Management accounting simulations and what-if analysis also combine with real-time financial information for better decision-making.
The range of forecasting and projections is significantly improved as a result of having all data within a company linked and in one place online.

5. Added Financial Metrics

For finance departments that are still relying on spreadsheets and reports from various departments within a company, the added visibility from a cloud-based ERP system is a game-changer. But even for firms that already are using financial management software, the visibility from an integrated, seed-to-sale ERP system can be eye-opening.
The silos within a company are broken down with cloud-based ERP, and this is a significant event for finance departments that rely on visibility for making optimal financial decisions and properly managing the financial picture of a business.

Everyone wins from a properly implemented seed-to-sale ERP system, grower, processor, distributor, retailer and investor/owner.