

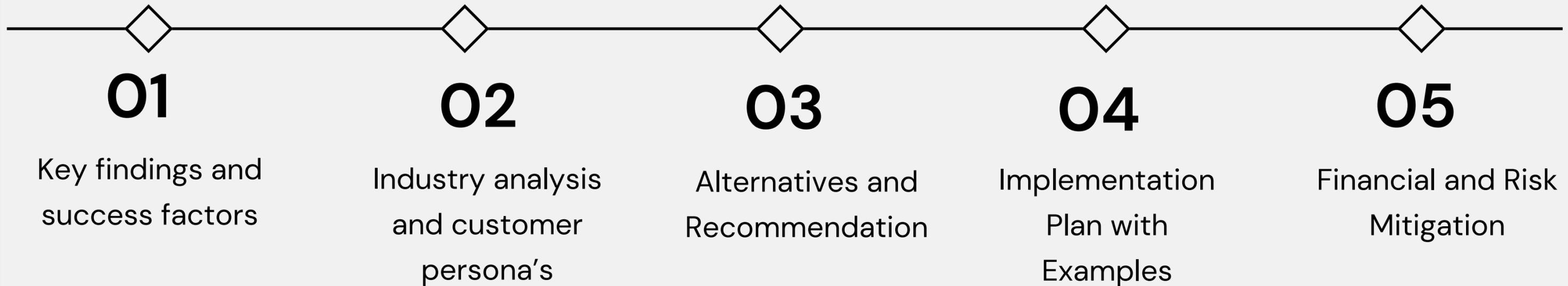
CANN: HIGH HOPES FOR CANNABIS INFUSED BEVERAGES



**“THE BEST THING TO
HAPPEN TO DRINKING
SINCE DRINKING”**



EXECUTIVE SUMMARY



KEY FINDINGS



- Cofounders of Cann raised **\$1.5 million** in seed funding
- By 2022, Cann had sold **10 million** cans
- Closed **\$27 million** Series A funding round
- Cann had established distribution in **six** states and **two** Canadian provinces
- Federal illegality of cannabis resulted in **limitations** on interstate trade
- Severe **limitations** on marketing and advertising cannabis products across various media platforms

KEY SUCCESS FACTORS

Product Innovation & Differentiation
Market Education & Awareness
Regulatory Adaptability & Compliance
Distribution Strategy
Brand Building & Marketing Strategies
Financial Sustainability & Efficiency
Consumer Experience & Engagement
Adaptability & Long-Term Vision



INDUSTRY ANALYSIS

- Recreational cannabis use has been legalized in only half of the US.
- Companies face extremely strict advertising regulations.
- Limited to where products can be sold.
- CANN stands as an industry leader along with brands such as levia, keef and collective project.
- The CBD infused beverage market is estimated around 3 billion dollars.



CAROLINE

MARKETING
COORDINATOR



BIO

- 28 years old
- Living in Downtown
- Limited cannabis experience but is curious about its benefits

MOTIVATION

- Interested in smoke-free alternatives
- Seeks health-conscious products
- Values transparency on labels and looks to support local dispensaries



Be Creative and You'll see the world

VALUES

- Transparency
- Curious
- Independent

PERSONALITY

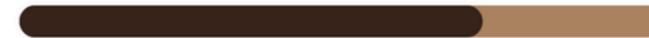
Design Thinking



Resource



Analytical



SKILLS

Layouting

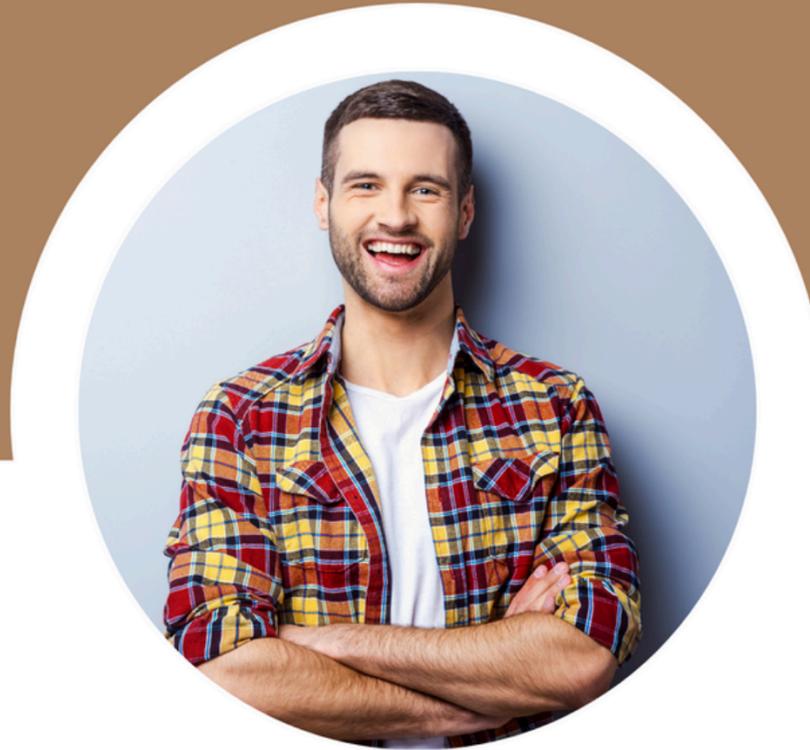


Problem Solving



GARY

MUSICIAN



BIO

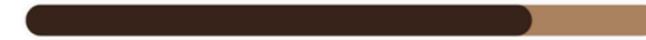
- 26 years old
- Living in Vancouver
- Experienced Cannabis user
- Always wants to try new things



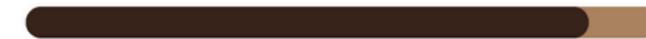
Music is life

PERSONALITY

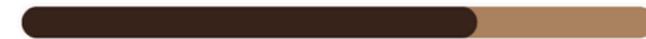
Creativity



Artistic



Outgoing



MOTIVATION

- Wants to limit alcohol consumption and is seeking a replacement product.
- Enjoys the recreational aspects of cannabis.
- He likes to try new products so he can recommend them to friends

VALUES

- Independent
- Extrovert
- Fun-loving

SKILLS

Composing



Direction and Acting



INTRODUCTION TO ALTERNATIVES

1

Focus on Core Markets
and Consumer
Education

2

Aggressive Expansion
into New Markets

3

Hybrid Strategy:
Balancing Core Market
Growth and Expansion

ALTERNATIVE 1: FOCUS ON CORE MARKETS AND CONSUMER EDUCATION

PROS	CONS
<ul style="list-style-type: none">• Market Consolidation• Consumer Education• Operational Efficiency	<ul style="list-style-type: none">• Limited Growth Potential• Market Saturation

ALTERNATIVE 2: AGGRESSIVE EXPANSION INTO NEW MARKETS

PROS	CONS
<ul style="list-style-type: none">• First Mover Advantage• Diversification of Customer Base• Maximized Growth Potential	<ul style="list-style-type: none">• Operational Challenges• Regulatory Uncertainty

ALTERNATIVE 3: HYBRID STRATEGY: BALANCING CORE MARKET GROWTH WITH EDUCATION AND EXPANSION

PROS	CONS
<ul style="list-style-type: none">• Optimal Risk Distribution• Sustainable Growth• Brand Consistency	<ul style="list-style-type: none">• Resource Intensive• Potential Brand Dilution

DECISION MATRIX

Criteria	Alternative 1	Alternative 2	Alternative 3
Market Potential	3	4	5
Operational Complexity	4	3	3
Risk Management	3	2	4
Brand Consistency	4	3	5
Customer Education Needs	5	3	4
Total Score (out of 25)	19	15	21

RECCOMENDED STRATEGY

CORE MARKET CONSOLIDATION



a. Dispensary Partnerships and Loyalty Programs:

b. Cross-Promotions and Collaborations:

c. Customer Education Initiatives:

d. Product Line Extension:



STRATEGIC EXPANSION INTO EMERGING MARKETS:



a. Market Research and Entry Strategy:

b. Influencer Marketing and Localized Campaigns:

c. Regulatory Advocacy:

d. Community Engagement Events:



CONTINUOUS EVALUATION AND ADAPTATION:



a. Regular Strategy Review Meetings:

b. Monitoring Market Trends and Consumer Feedback:

c. Agile Strategy Pivot:

SUPPLY CHAIN SOLUTION



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FULL-SERVICE SHIPPING LOGISTICS FOR CANNABIS-INFUSED DRINKS

Cannabis beverage shipping is just the tip of the iceberg when it comes to the expansive logistics services we offer at Brew Movers. We understand your success as a business is closely tied to a seamless and well-managed supply chain—and that's exactly where our expertise lies.

Beyond the meticulous shipping of your cannabis-infused drinks, we extend our support to every step of your business operations. From handling essential ingredients and materials to efficiently managing distribution networks, we've got you covered. Our full-service approach encompasses regulatory compliance, secure warehousing, strategic route planning, and the assurance of timely, safe deliveries.

Brew Movers is your trusted one-stop shop for cannabis beverage logistics, guaranteeing every aspect of your operation runs without a hitch.

[GET STARTED](#)



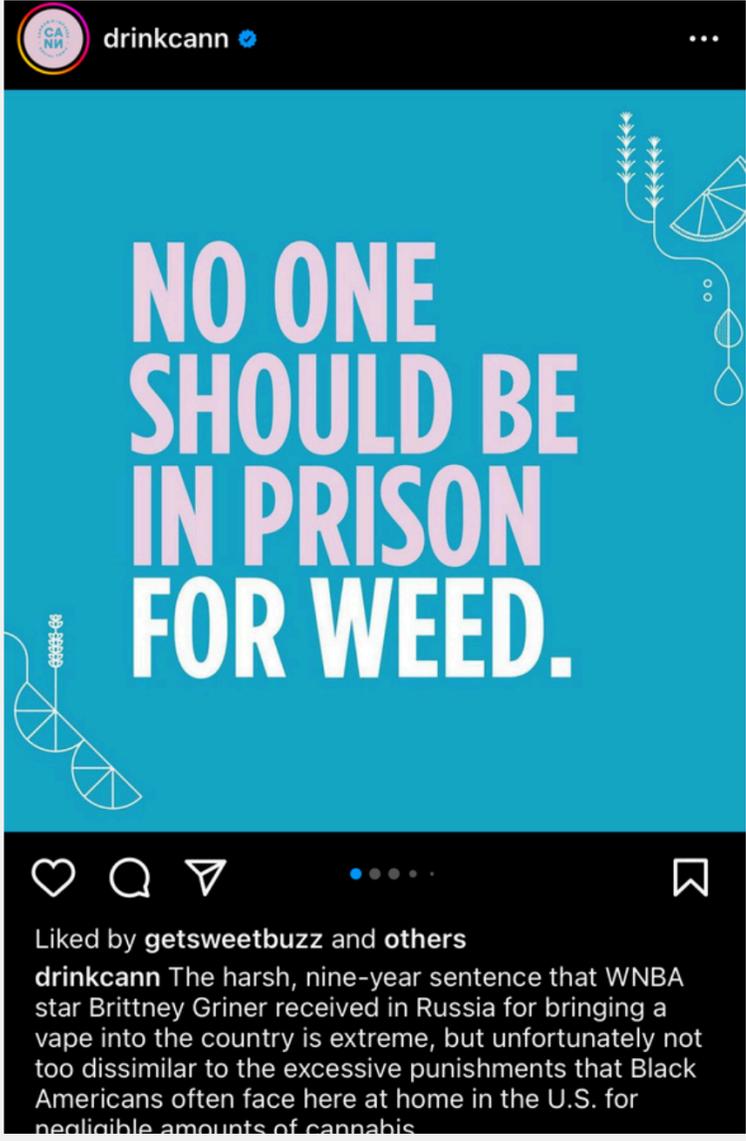
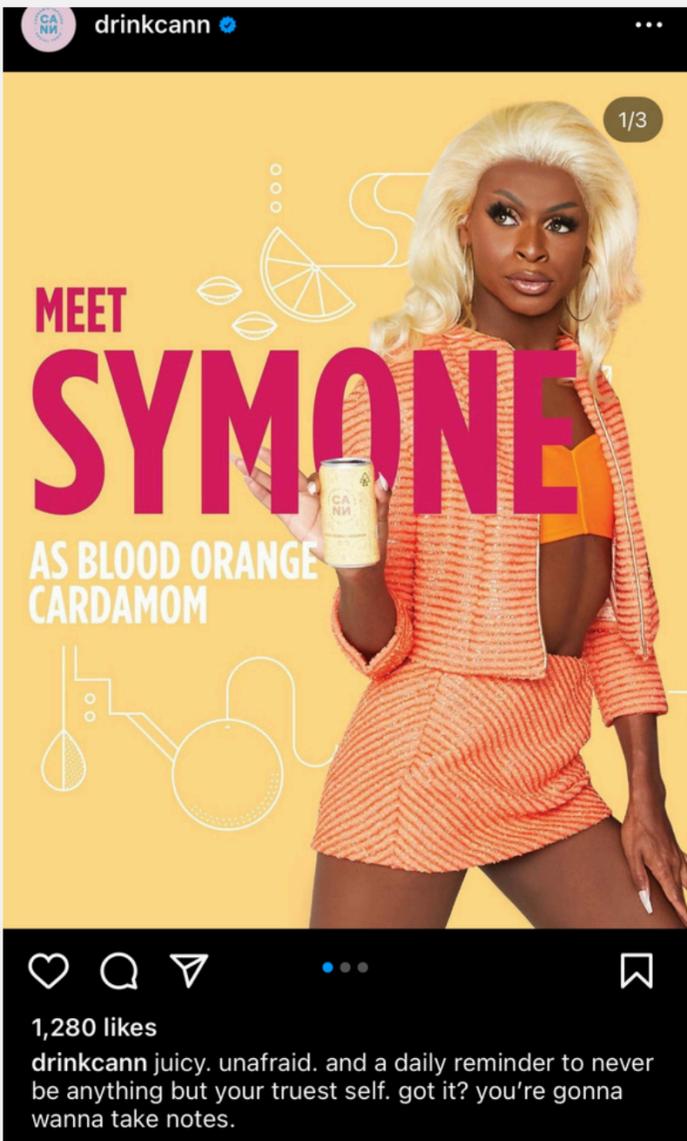
MEASURABLE MILESTONES

Milestone	Target/Action	Timeline
Dispensary Partnerships	Establish partnerships with 20% of targeted dispensaries	First two quarters
	Achieve a 15% increase in Cann product shelf space	End of the second quarter
Cross-Promotions and Collaborations	Execute collaborations with at least 5 local brands or influencers per quarter	Per quarter
	Achieve a 20% increase in social media engagement through cross-promotions	End of the third quarter
Customer Education Initiatives	Launch educational campaigns on multiple channels	Within the first six months
	Aim for a 25% increase in customer awareness	Within the first six months
Product Line Extension	Introduce and successfully market two new product variations	End of the fourth quarter
	Achieve a 15% increase in revenue from the new variations	Within the first two quarters
Market Research and Entry	Conduct comprehensive market research in at least three potential new markets	Within the first quarter
	Identify and enter one new market with a targeted sales increase of 10%	Within the first year
Influencer Marketing and Localized Campaigns	Collaborate with local influencers in each new market	Within the first six months
	Aim for a 30% increase in regional brand recognition	Within the first six months
	Achieve a 20% increase in sales attributed to localized campaigns	Within the first three quarters
Regular Strategy Review Meetings	Conduct monthly strategy review meetings	Ongoing
Monitoring Market Trends and Consumer Feedback	Implement real-time monitoring systems for market trends	Continuous
	Respond to at least 80% of customer feedback within 48 hours	Continuous

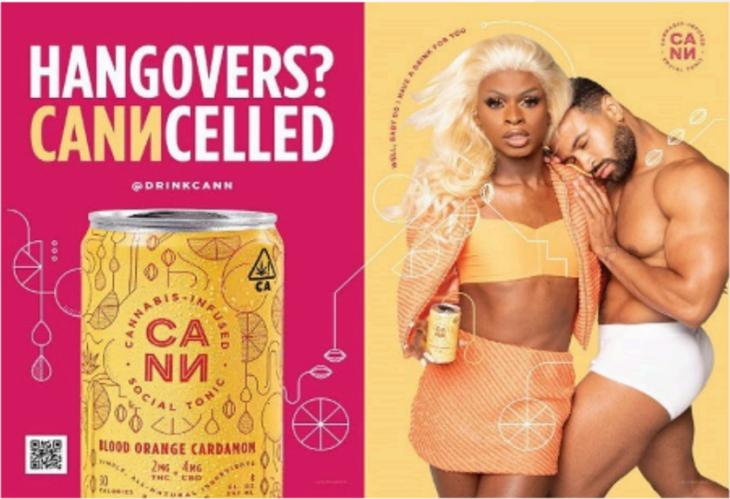
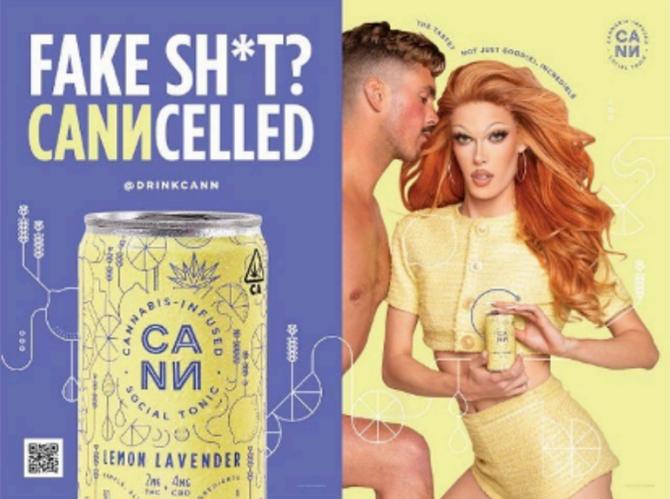
IMPLEMENTATION

Implementation Plan for Cann's Growth Strategy	Timeline	Responsibility	Key Activities
Core Market Consolidation			
Establish Dispensary Partnerships	Q1 - Q2	Sales and Marketing	Identify key dispensaries, negotiate partnerships, design exclusive promotions.
Cross- Promotions and Collaborations	Q1 - Q3	Marketing	Identify local brands and influencers, plan joint campaigns.
Customer Education Initiatives	Q2 - Q4	Marketing	Develop educational content, launch campaigns across channels.
Product Line Extension	Q3 - Q4	Product Development	Conduct market research, design and launch new product variations.
Strategic Expansion into Emerging Markets			
Market Research and Entry Strategy	Q1	Business Development	Conduct comprehensive market research, identify entry points.
Influencer Marketing and Localized Campaigns	Q2 - Q3	Marketing	Collaborate with local influencers, design localized campaigns.
Regulatory Advocacy	Q2 - Q4	Legal and Compliance	Engage in regulatory discussions, advocate for favorable regulations.
Continuous Evaluation and Adaptation			
Regular Strategy Review Meetings	Monthly	Leadership Team	Schedule monthly strategy review meetings to assess progress.
Monitoring Market Trends and Consumer Feedback	Continuous	Marketing and Sales	Implement systems for monitoring trends and gathering feedback.
Agile Strategy Pivot	As Needed	Leadership Team	Maintain flexibility for strategy pivots based on evaluation.

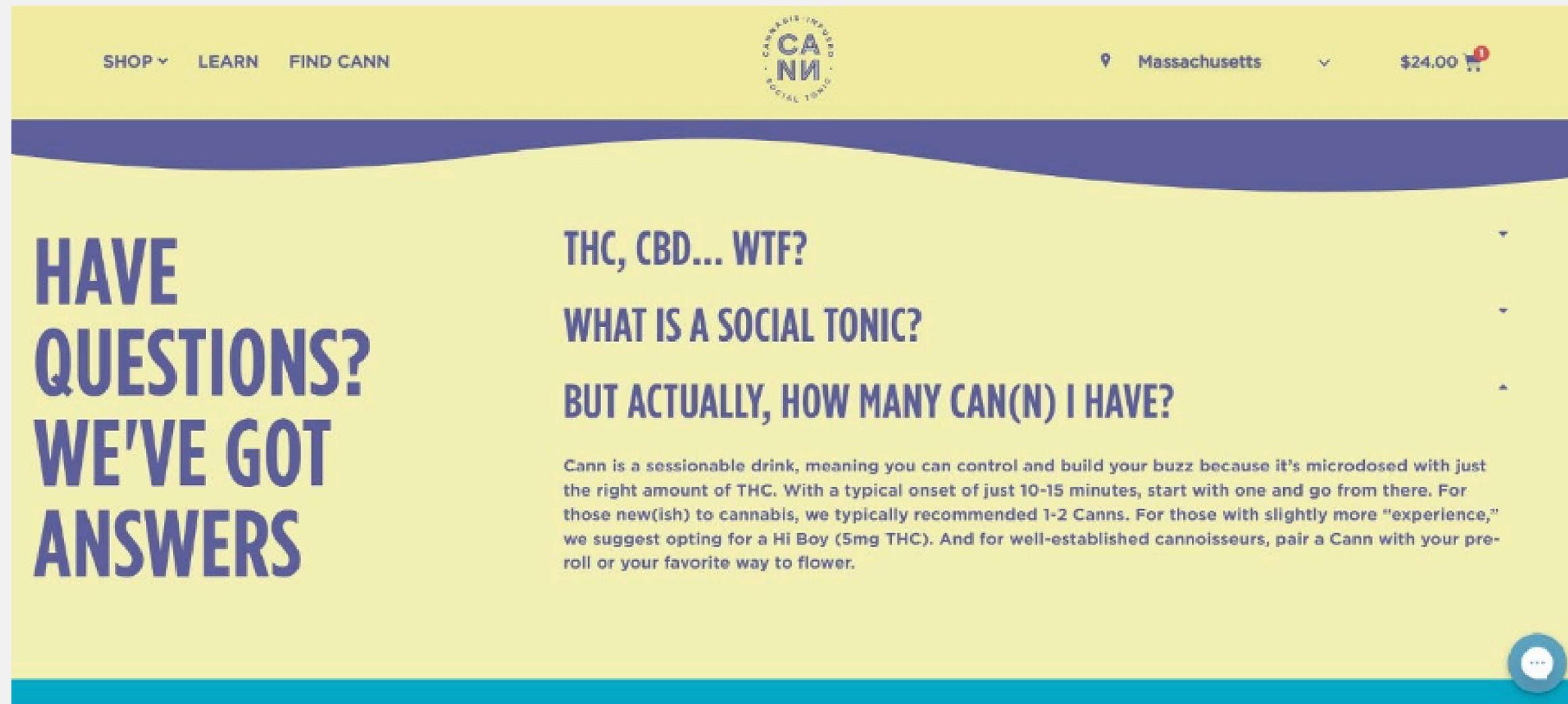
SOCIAL MEDIA (INSTAGRAM)



SOCIAL MEDIA (EXAMPLES)



AWARENESS (WEBSITE)



The screenshot shows the top navigation bar of the Cann website. On the left, there are links for 'SHOP', 'LEARN', and 'FIND CANN'. In the center is the Cann logo, which is a circular emblem with 'CANN' in the middle and 'CANNABIS-INSPIRED' and 'SOCIAL TONIC' around the perimeter. On the right, there is a location selector set to 'Massachusetts' and a shopping cart icon showing '\$24.00'.

The main content area has a light green background with a dark blue wavy border at the top. On the left, the text reads: **HAVE QUESTIONS? WE'VE GOT ANSWERS**. To the right, there are three menu items: **THC, CBD... WTF?**, **WHAT IS A SOCIAL TONIC?**, and **BUT ACTUALLY, HOW MANY CAN(N) I HAVE?**. Below these is a paragraph of text: **Cann is a sessionable drink, meaning you can control and build your buzz because it's microdosed with just the right amount of THC. With a typical onset of just 10-15 minutes, start with one and go from there. For those new(ish) to cannabis, we typically recommended 1-2 Canns. For those with slightly more "experience," we suggest opting for a Hi Boy (5mg THC). And for well-established connoisseurs, pair a Cann with your pre-roll or your favorite way to flower.**

In the bottom right corner, there is a circular icon with three dots inside.

FINANCIALS

Financial Plan for Cann's Growth Strategy	Year 1	Year 2	Year 3
Revenue	\$15 million	\$35 million	\$60 million
Cost of Goods Sold (COGS)	\$5 million	\$12 million	\$20 million
Gross Profit	\$10 million	\$23 million	\$40 million
Operating Expenses			
- Marketing and Advertising	\$3 million	\$8 million	\$12 million
- Research and Development	\$1 million	\$2 million	\$4 million
- Sales and Distribution	\$2 million	\$5 million	\$8 million
- General and Administrative	\$1 million	\$3 million	\$5 million
Total Operating Expenses	\$7 million	\$18 million	\$29 million
Operating Income	\$3 million	\$5 million	\$11 million
Interest Expense	\$500,000	\$1 million	\$1.5 million
Net Income	\$2.5 million	\$4 million	\$9.5 million

RISK AND MITIGATION

Consumer Perception

- **Mitigation:** Education and Awareness Campaigns

Regulatory Changes:

- **Mitigation:** Regulatory Awareness and Compliance

Resource Allocation Challenge

- **Mitigation:** Implement robust resource management systems

Potential Brand Dilution

- **Mitigation:** Consistent brand message



THANK YOU
VERY MUCH



APPENDIX

- Key Findings
- key Success Factors
- Industry Analysis
- Personas
- Introduction to Alternatives
- Alternative 1
- Alternative 2
- Alternative 3
- Decision Matrix
- Reccomended Strategy
- Measurable Milestones
- Implementation
- Social media (Instagram)
- Social media Ads
- Awareness (Website)
- Financials
- Risk & Mitigation
- SWOT
- PESTLE
- VRIO
- McKinsey 7s
- Legal States

SWOT ANALYSIS

Strengths:

- **Unique Product Offering:** Cann's low-dose THC beverages fill a gap in the market by providing a socially acceptable and approachable way to consume cannabis, targeting both experienced users and newcomers.
- **Innovative Branding:** The company's colourful and bright packaging and its focus on inclusivity and LGBTQIA+ representation sets it apart and appeals to a diverse audience.
- **Notable Investors and Partnerships:** Securing investments from celebrities like Gwyneth Paltrow and partnerships with well-known figures like Kate Hudson and queer artists bring credibility and visibility to the brand.
- **Market Growth and Expansion:** With distribution in multiple states and Canadian provinces and plans for further expansion, Cann has positioned itself for growth as more states legalize recreational cannabis.

Weaknesses:

- **Regulatory Challenges:** Varying state laws and federal illegality of cannabis pose significant hurdles, requiring manufacturing establishments in each state and limiting advertising and distribution avenues.
- **Financial Constraints:** Despite substantial investments, the company faced negative cash flow and accumulating personal debt, which may hinder further expansion or innovation.
- **Limited Distribution Channels:** Reliance on licensed dispensaries for sales restricts access to a broader consumer base, especially those unfamiliar with cannabis dispensaries.

Opportunities:

- **Changing Legal Landscape:** The increasing legalization of recreational cannabis across states presents opportunities for wider market access and potential federal legalization, easing regulatory challenges.
- **Education and Brand Awareness:** Leveraging marketing strategies to educate consumers about low-dose THC beverages could expand the market and normalize cannabis use, especially among new users.
- **Strategic Partnerships:** Collaborations with mainstream beverage companies or leveraging influential figures can help widen the reach and normalize Cann beverages as a social alternative.

Threats:

- **Intense Competition:** Growing competition in the cannabis beverage sector and the emergence of new products pose a threat to market share and differentiation.
- **Continued Regulatory Uncertainty:** Evolving regulations or shifts in federal policy may disrupt operations or limit growth potential.
- **Marketing and Advertising Restrictions:** Limitations on traditional advertising channels may impede brand visibility and hinder reaching new consumer segments.

VRIO

Value: Cann has developed a unique formulation for its cannabis-infused beverages that provides consumers with a distinct experience compared to other products in the market. This innovation adds significant value to the brand.

Rarity: The formulation and expertise in creating consistent, enjoyable cannabis-infused beverages could be considered rare, especially if Cann has proprietary methods or patents protecting its recipes.

Imitability: Depending on the level of intellectual property protection and the complexity of the formulation, competitors might find it challenging to imitate Cann's exact product, especially if there are trade secrets involved.

Organization: Cann's ability to effectively market, distribute, and manage its resources to produce and deliver these beverages plays a crucial role in leveraging its unique formulation and maintaining a competitive edge.

In summary, Cann's VRIO analysis suggests that its unique formulation and expertise in producing cannabis beverages provide it with a competitive advantage due to their value, potential rarity, and potential difficulty for competitors to replicate. However, continuous innovation, protection of intellectual property, and effective organizational strategies are vital to sustain this advantage in the long term.

PESTLE

Political:

Opportunity: Changing regulatory landscapes in the U.S., with potential legalization of recreational cannabis, create opportunities for market expansion.

Challenge: Ongoing federal prohibition poses regulatory uncertainties and challenges for consistent market growth.

Economic:

Opportunity: Growing acceptance of cannabis presents a lucrative market for Cann's products.

Challenge: Economic fluctuations may impact consumer spending on non-essential products like cannabis-infused beverages.

Social:

Opportunity: Increasing social acceptance of cannabis contributes to a positive cultural shift, potentially normalizing Cann's products.

Challenge: Prevailing stigmas and lack of awareness may hinder mainstream adoption.

Technological:

Opportunity: Advancements in technology can enhance Cann's production processes and distribution efficiency.

Challenge: Dependence on technology makes the company vulnerable to disruptions.

Legal:

Opportunity: Changes in cannabis legislation may open up new markets and reduce legal constraints.

Challenge: Complex and evolving legal frameworks may lead to compliance issues and regulatory hurdles.

Environmental:

Opportunity: Growing emphasis on sustainability presents an opportunity for Cann to adopt eco-friendly practices.

Challenge: Environmental concerns and regulations may impact packaging and production processes.

MCKENSEY 7'S

Strategy:

Cann's strategy involves a focus on low-dose THC social tonics and aims to normalize cannabis-infused beverages. The strategy needs to align with the dynamic regulatory environment and market trends.

Structure:

The current organizational structure should support both core market consolidation and strategic expansion. This may involve establishing dedicated teams for existing and new markets.

Systems:

Cann's internal systems, including production, distribution, and marketing, need to be flexible to adapt to regulatory changes and market demands. Efficient systems are crucial for successful implementation.

Skills:

Workforce skills should encompass product knowledge, regulatory compliance, and adaptability to cater to both core markets and new regions. Training programs may be necessary for enhanced consumer education.

Staff:

The staffing levels and composition should match the requirements of core market growth and expansion. Recruiting talents with experience in emerging markets and regulatory affairs might be essential.

Style:

Leadership styles should be adaptive, balancing the need for stability in core markets and agility in responding to changes in new markets. A collaborative and communicative leadership style may be crucial.

Shared Values:

The core values of Cann, including a commitment to consumer education, product quality, and responsible cannabis use, should be shared and reinforced across the organization. This shared vision guides decision-making.

