



Business Process and Inventory Management for Canadian Cannabis Producer

BACKGROUND

A Medicinal Cannabis Producer has recently broken into the recreational cannabis business. After sustaining tremendous growth, the client struggled with managing consistent communication and harmonization of processes across their various facilities. The organization used manual reporting which resulted in inconsistent data and lack of trust in data in its ERP system.

As part of its audit, the Client's auditor identified multiple instances of material weaknesses that manifested itself through significant SOX compliance risk. As such, they were given notice to address and correct its high risk financial reporting activities to eliminate its SOX compliance risk. TPG was brought into review the current processes across four key functions: ERP Access, Cycle Counting, Item Master Data and Bill of Materials, and ultimately address and eliminate its SOX compliance risk across all cross-functional areas that impact and execute these processes

APPROACH

- TPG implemented new processes and consistent processes for each function across all facilities, ensuring alignment and accountability across the cross-functional teams.
- By creating R-Matrices, each leader was able to visualize their role in the processes, and experience the benefit of collaborating to execute efficiently and effectively.
- TPG created support material to be used in training, and where possible centralized activity for improved oversight, while allowing for nuanced opportunities based on geographical location and function.
- Robust and pragmatic action plans with clear owners were created, to ensure scalability as the Client's organization grew, such that the processes remained sustainable, and SOX compliance risk was eliminated.

RESULTS

- Developed 47 initiatives to optimize ERP utilization and inventory flow (37/47) and address SOX compliance deficiencies (10/47)
- Identified a conservative estimate of \$1.8M in savings attributed to reducing process redundancies and creating harmonized definitions and processes company-wide