

# Sales Playbook for Marijuana Dispensary Business



# Sales Playbook for Marijuana Dispensary Business



## Table of Contents

- I. **Buyer Persona ..... 1**
  - Background.....1
  - Demographics.....1
  - Identifiers.....1
  - Goals.....1
  - Challenges ..... 2
  - What Can We Do ..... 2
  - Objections.....2
  - Marketing Message.....2
  - Elevator Pitch ..... 2
- II. **Initial Meeting Questions.....3**
- III. **Pre-Close Statement.....4**
- IV. **Identifying Decision-Maker and Budget.....5**
- V. **Delivering the Rules of Engagement .....5**
- VI. **Comprehensive Risk Assessment .....5**
- Marijuana Distributors FYI .....12**

# Sales Playbook for Marijuana Dispensary Business



## I. Buyer Persona:

Background:

Demographics:

Identifiers:

Goals:

# Sales Playbook for Marijuana Dispensary Business



## Challenges:

## What Can We Do:

## Objections:

## Marketing Message:

## Elevator Pitch:



## II. Initial Meeting Questions

1. Can you briefly describe your business operations and the scale?

2. What is your current insurance coverage?

3. How familiar are you with the regulatory requirements regarding cannabis distribution in your operating regions?

4. What challenges are you currently facing in the business?

5. What's your relationship like with your current broker?

6. What do you wish your current broker did better?

# Sales Playbook for Marijuana Dispensary Business



7. What are your short-term and long-term goals?

8. Are there any areas where you feel unprotected or underinsured?

9. Do you have any specific budget constraints for insurance coverage?

## III. Pre-Close Statement



## IV. Identifying Decision-Maker and Budget:

- Who else is involved in making insurance decisions for your company?
- Can you share what you have budgeted annually for insurance or the range you're comfortable with?

## V. Delivering the Rules of Engagement

## VI. Comprehensive Risk Assessment

### A. Company Profile:

Facility Name:	
Location(s) and Billing Address(es):	

# Sales Playbook for Marijuana Dispensary Business



Federal Employer Identification Number (FEIN):	
Website:	
Decision Maker's Name(s) and Contact Info:	
Annual Sales:	
Annual Payroll:	
Property Value:	
Key Employees:	
Previous Insurance History:	
Sub-Contractor Information:	
Regulatory Compliance Record:	
Business Structure:	
License Details:	
Product Line Information:	



## B. Coverage Risk Assessment:

### 1. Regulatory Compliance:

- How do you ensure you're abiding by local, state, and federal regulations?
- Are there third-party audits?

### 2. Product Liability:

- What steps are in place for quality control?
- How do you trace a product if a problem occurs?
- What packaging and labeling protocols are followed?

### 3. Supply Chain and Inventory:

- How is your inventory managed and tracked?
- What are the security measures for storage?



#### 4. Employee Safety:

- What is your onboarding process for safety training?
- Are there periodic safety drills and updates?

#### 5. Business Interruption:

- Do you have a business continuity plan?
- What's your strategy for alternative sourcing?

#### 6. Cyber Liability:

- What are your cybersecurity protocols?
- Do you have an incident response plan?



## 7. Premises Liability:

- Are all locations compliant with safety codes?
- How are visitors managed and monitored?

## 8. Transportation:

- Are your delivery methods compliant with state and federal laws?
- What are your contingency plans for transport failures?

## 9. Contracts and Agreements:

- Are there built-in compliance clauses in contracts with growers or retail outlets?
- How are contract disputes typically resolved?



**10. Cash Handling Procedures:**

- How is cash stored and transported?
- Are there protocols for loss prevention?

**11. Directors & Officers (D&O) Liability:**

- Are there any governance issues that need to be disclosed?
- How do you vet new directors or officers?

**11. Environmental Liability:**

- How do you manage waste disposal?
- Do you have measures to minimize environmental impact?



**11. Employment Practices Liability:**

- How are employee grievances handled?
- Any history of employment-related legal disputes?

**11. Asset Protection:**

- What measures are in place to protect physical and intellectual property?
- Do you have backup systems?

**11. Intellectual Property Risks:**

- Do you hold any patents, copyrights, or trademarks that need protection?
- How do you safeguard against intellectual property theft?



## Marijuana Distributors FYI

### MARIJUANA DISPENSARIES

Category: Retail Stores

SIC CODE: None

NOTE: SIC codes are assigned by the US Government. As this product remains illegal under federal law, no SIC code has been assigned.

NAICS CODE: 459991 Tobacco, Electronic Cigarette, and Other Smoking Supplies Retailers

Suggested ISO General Liability Code: 10211, 10210

Suggested Workers Compensation Code: None available

**Note:** NCCI has not provided any codes specifically for marijuana dispensaries.

**Description of operations:** Marijuana dispensaries may sell products for medical use, recreational use, or both, depending on individual state laws. The medical dispensaries are similar to drug stores. The patient must provide an identification card proving they are eligible for the drug. Most stores offer a consultant who works with the patient to find the appropriate product. It may be a loose-leaf product but could be liquid, oil, powder, pill, rolled, or vapor form. The product may be provided as an edible or may be butter infused with marijuana that the patient can use when making his or her own edibles. Additional accessories may be available in the shop. In states where recreational use is permitted, the shops are similar to the medical marijuana dispensary, but customers are not required to provide marijuana identification cards. These stores are more similar to liquor or vape stores. The Telephone Consumer Protection Act (TCPA) requires retailers to obtain express written consent from customers before sending text spam ads or robocalls.

As marijuana is listed as a Schedule I drug under the Controlled Substances Act of 1970, it is illegal under federal law. Despite this, an increasing number of states have legalized marijuana for medical and/or recreational use, with each state developing its own rules and regulations for manufacturers and distributors. It is unclear how the differences in state and federal law will ultimately be resolved.

Since marijuana is illegal under federal law, many standard market insurance policies exclude it. Coverages may need to be purchased from specialty carriers.

Some research indicates that marijuana is helpful in pain relief for conditions such as chemotherapy-induced nausea, glaucoma, multiple sclerosis, and neuropathy, and as an appetite stimulant for such disorders as AIDS wasting syndrome. Since the FDA has not approved it for any type of medicinal or recreational use, no studies have been done in clinical trial settings, which the FDA would conduct along with the DEA (Drug Enforcement Administration) and the NIDA (National Institute on Drug Abuse). Concerns have been expressed about the lack of consistency in drug purity and potency, the impact on unborn babies, and long-term usage implications such as drug dependency.

# Sales Playbook for Marijuana Dispensary Business



**Property exposures** are moderate. Ignition sources include electrical wiring and heating and air conditioning systems. These should be well maintained and meet current codes for the occupancy. There may be a humidifier, which is a room used to store marijuana products at optimum humidity and temperature levels. The products are highly combustible and easily contaminated by smoke, temperature changes, and humidity. Due to the high resale value in the black market, marijuana products are targeted by thieves. Vandalism can result from trespassers and protestors. Appropriate security controls must be taken, including physical barriers to prevent entrance to the premises after hours and an alarm system that reports directly to a central station or the police department.

**Inland marine exposures** include computers to transact sales and monitor inventory, goods in transit, signs, and valuable papers and records for customers' and suppliers' information and quality control testing results. Backup copies of all records should be made and stored off premises. Goods in transit may be damaged by fire, theft, collision and overturn, or contamination. Outdoor signs can be struck by lightning or vehicles, be blown over in heavy wind, or collapse due to the weight of ice and snow.

**Crime exposures** are from employee dishonesty and theft of money and securities due to the high resale value of marijuana products on the black market. Employees may act alone or in collusion with outsiders in stealing money, raw materials, or finished stock. Background checks should be conducted on all employees. Money should be removed from cash drawers at regular intervals and moved to a safe away from the door. Banks are regulated at the federal level. Since marijuana is illegal under federal law, many banking institutions will not permit marijuana dispensaries to open accounts. If there is a banking account, there must be a separation of duties between persons handling deposits and disbursements and reconciling bank statements. If banking accounts are unavailable, the business will have significant amounts of cash, which increases the exposure to burglary and robbery.

**Premises liability exposure** is moderate due to the number of visitors to the dispensary. Extra security may be needed due to the value of the product. Floor coverings should be in good condition, with no frayed or worn spots on carpet and no cracks or holes in flooring to prevent slips and falls. Steps and uneven floor surfaces should be prominently marked. Enough exits must be provided and be well marked, with backup lighting systems in case of power failure. Excellent housekeeping is required to prevent the spread of infectious diseases. Parking lots and sidewalks need to be in good repair with snow and ice removed and generally level and free of exposure to slips and falls. If the business is open after dark, there should be adequate lighting and appropriate security for the area. There should be a disaster plan in place for unexpected emergencies. Personal and advertising injury exposures include allegations of discrimination, copyright or trademark infringement, false advertising, and apprehending and detaining shoplifters, which may result in allegations of assault and battery, false arrest or detention, and unauthorized or intrusive searches, or wrongful ejection from the premises. Shoplifting procedures must be fully understood and utilized by all employees.

**Products liability exposure** will depend on the supplier and the type of services provided to customers. If the dispensary is only providing a legal product manufactured by others, the exposure is limited. However, if the dispensary is providing lab services that certify potency and lack of pesticides and other harmful ingredients, the exposure increases significantly.

# Sales Playbook for Marijuana Dispensary Business



The consultative role of the employees can also increase the dispensary's product liability. The products exposure increases if the dispensary supplies its own product.

**Automobile exposure** is generally limited to hired nonownership for employees running errands. The exposure increases if the dispensary offers delivery service or picks up products from its suppliers. If the product is in the vehicle with the driver, adequate ventilation is important to prevent driving impairment. All drivers must have appropriate licenses with acceptable MVRs. All vehicles must be well maintained with documentation kept in a central location.

**Workers compensation exposure** can be high because of the value of the product and the amount of cash on hand. Appropriate security must be provided, and training provided to employees to prevent injury. Continual standing can result in musculoskeletal disorders of the back, legs, or feet. Trips, slips, and falls are common. When work is done on computers, employees are exposed to eyestrain, neck strain, and repetitive motion injuries, including carpal tunnel syndrome. Lifting can cause back injury, hernias, sprains, and strains. Employees should be provided with safety equipment and trained on proper handling techniques. Appropriate ventilation of the dispensary is crucial because of the potential impairment of employees due to exposure to the product that may contribute to accidents and possible long-term health issues. Cleaning workers can develop respiratory ailments or contact dermatitis from working with chemicals. If the dispensary has no banking accounts and must conduct financial transactions using cash, drivers and couriers can be injured or killed in robberies.

## **Minimum recommended coverage:**

Business Personal Property, Business Income with Extra Expense, Computers, Goods in Transit, Signs, Valuable Papers and Records, Employee Dishonesty, Money and Securities, General Liability, Employee Benefits, Umbrella, Hired and Nonownership Auto Liability, Workers Compensation

## **Other coverages to consider:**

Earthquake, Flood, Leasehold Interest, Real Property Legal Liability, Spoilage, Active Shooter, Cyberliability, Employment-related Practices, Business Auto Liability and Physical Damage, Stop Gap Liability

## **MARIJUANA PRODUCTS MANUFACTURERS**

Category: Manufacturing

SIC CODE: SIC codes are assigned by the US Government. As this product remains illegal under federal law, no codes have been assigned.

NAICS CODE: 111419 Marijuana Grown under Cover

111998 Marijuana Grown in an Open Field

311812 Commercial Bakeries

311821 Cookie and Cracker Manufacturing

# Sales Playbook for Marijuana Dispensary Business



325411 Medicinal and Botanical Manufacturing

325412 Pharmaceutical Preparation Manufacturing

Suggested ISO General Liability Code: None available

Suggested Workers Compensation Code: None available

**Note:** ISO and NCCI have not provided any codes specifically for marijuana products.

**Description of operations:** Marijuana products manufacturers produce a wide range of items, including baked goods, creams, liquids, loose-leaf or rolled items used for smoking, lotions, oils, powders, pills, or vapors for use in e-cigarettes. The prime raw ingredients for all products are cannabis leaves. The manufacturer may purchase these from suppliers or grow them in greenhouses or open fields. The stem is removed from the leaf, and then the leaf is cleaned and cured. Curing involves drying the leaves and sometimes adding flavoring agents. Additional processing converts the leaf into forms used in the finished products.

Marijuana is listed as a Schedule I drug under the Controlled Substances Act of 1970, so it is illegal under federal law. Despite this, an increasing number of states have legalized marijuana for medical and/or recreational use, with each state developing its own rules and regulations for manufacturers and distributors. It is unclear how the differences in state and federal law will ultimately be resolved.

Since marijuana is illegal under federal law, many standard market insurance policies exclude it. Coverages may need to be purchased from specialty carriers.

Some research indicates that marijuana is useful in pain relief for conditions such as chemotherapy-induced nausea, glaucoma, multiple sclerosis, neuropathy, and appetite stimulant for such disorders as AIDS wasting syndrome. Since FDA has not approved it for medicinal or recreational use, no studies have been done in clinical trial settings, which the FDA would conduct along with the DEA (Drug Enforcement Administration) and the NIDA (National Institute on Drug Abuse). Concerns have been expressed as to the lack of consistency in drug purity and potency, impact on fetuses by pregnant women, and long-term usage implications such as drug dependency.

**Property exposures** include offices, drying facilities, processing areas, and warehouses for raw marijuana and finished goods. Ignition sources include electrical wiring, heating and air conditioning systems, dryers, buildup of static electricity, and production machinery. Wiring must be grounded, adequate for peak demands, and meet all current codes. The large draft spaces in storage warehouses can contribute to the spread of a fire. Chemical additives may be highly flammable and add to the fire load. Accumulations of dust can result in explosions. This hazard increases in the absence of well-maintained ventilation and dust collection systems. Smoking should be prohibited. Raw goods and finished products are highly combustible and easily contaminated by smoke, temperature changes, and humidity. Due to the high resale value in the black market, marijuana products are targeted by thieves. Vandalism can result from trespassers and protestors. Appropriate security controls must be taken, including physical barriers to prevent entrance to the premises after hours and an alarm system that reports directly to a central station or the police department.

# Sales Playbook for Marijuana Dispensary Business



**Business interruption exposure** can be high due to a lack of backup facilities. A large loss can result in lengthy downtime for repairing or replacing equipment.

**Equipment breakdown exposures** include breakdown losses to production equipment, dust collection and ventilation systems, electrical control panels, and other apparatus. These should be properly maintained and records kept in a central location. Breakdown and loss of use to the conveyor and other production machinery could result in a significant loss, both direct and under time element.

**Inland marine exposures** include accounts receivable if the manufacturer offers credit, computers (which may include computer-run production equipment), goods in transit, and valuable papers and records for customers' and suppliers' information, quality control testing results, and proprietary formulas. Computer systems must have adequate security features to prevent unauthorized access due to industrial espionage or by hackers. Backup copies of all records should be made and stored off premises. Goods in transit may be damaged by fire, theft, collision and overturn, or contamination.

**Crime exposures** are from employee dishonesty and theft of money and securities due to the high resale value of marijuana products on the black market. Background checks should be conducted on all employees. Employees may act alone or in collusion with outsiders in stealing money, raw materials, or finished stock. Banks are regulated at the federal level. Since marijuana is illegal under federal law, many banking institutions will not permit marijuana manufacturers to open accounts. If there is a banking account, there must be a separation of duties between persons handling deposits and disbursements and reconciling bank statements. If banking accounts are unavailable, the business will have significant amounts of cash, which increases the exposure to burglary and robbery.

**Premises liability exposure** is low due to limited access by visitors. If tours are offered, visitors must be confined to designated areas. Visitors may be injured by slips, trips, or falls or exposed to toxic or caustic chemicals. Floor coverings should be in good condition, with no frayed or worn spots on carpet and no cracks or holes in flooring. Steps and uneven floor surfaces should be prominently marked. Enough exits must be provided and well marked, with backup lighting systems in case of power failure. Parking lots and sidewalks need to be in good repair with snow and ice removed, and generally level and free of exposure to slips and falls. If the business is open after dark, there should be adequate lighting and appropriate security for the area. Toxins released in a fire or fumes, spills or leaks from chemical tanks may cause serious injury or property damage to neighboring properties. The manufacturer may have traveling sales representatives who visit marijuana dispensaries and trade shows. Personal injury exposures include allegations of breach of confidentiality, copyright or trademark infringement, or defamation if misleading statements are made about competitors.

**Products liability exposure** is currently unknown as no long-term scientific studies have yet been completed evaluating the effects of marijuana on human health. There could be serious adverse impacts as users tend to hold the smoke in their lungs longer than tobacco smokers. Although tobacco products receive a federal exemption from most types of product liability claims as tobacco has been a known carcinogen since the 1960's, no such exemption is available for marijuana manufacturers. A concern with edibles is that they are

# Sales Playbook for Marijuana Dispensary Business



visually indistinguishable from non-marijuana- infused products, and packaging is attractive to children.

**Environmental impairment exposures** are moderate. Sudden or cumulative discharges of chemicals used as additives (which may be toxic or combustible or both) may contaminate air, surface or ground water, or soil. Storage and disposal procedures must adhere to all EPA and other regulatory standards. Processes may cause thermal or noise pollution.

**Automobile exposure** is moderate if the manufacturer transports raw materials or finished products. Manufacturers generally have private passenger fleets used by sales representatives. There should be written procedures regarding the private use of these vehicles by others. Drivers should have an appropriate license and an acceptable MVR. All vehicles must be well maintained, with documentation kept in a central location. If the product is in the vehicle with the driver, adequate ventilation is important to prevent the driver from inhaling product fumes and becoming impaired.

**Workers compensation exposure** is high. Injuries from production machinery are common, as are burns, cuts, puncture wounds, slips, trips, falls, foreign objects in the eye, hearing loss from machinery noise, and back injuries from lifting. Employees should be provided with safety equipment, trained on proper handling techniques, and have conveying devices available to assist with heavy lifting. Flammable liquids and chemicals can cause skin and eye irritation. Cumulative exposure to marijuana dust may create a potential for lung and respiratory diseases and injuries. Workers must be made aware of the potential side effects, including long-term occupational disease hazards, so they can be mindful of warning symptoms and obtain treatment as early as possible. Drivers of forklifts and vehicles may be injured in accidents. Appropriate ventilation of the facility is crucial because of potential impairment due to exposure to the product that may contribute to accidents and possible long-term health issues. If the manufacturer has no banking accounts and must conduct financial transactions using cash, drivers and couriers can be injured or killed in robberies.

## **Minimum recommended coverage:**

Business Personal Property, Business Income with Extra Expense, Equipment Breakdown, Accounts Receivable, Computers, Goods in Transit, Valuable Papers and Records, Employee Dishonesty, Money and Securities, General Liability, Employee Benefits, Environmental Impairment, Umbrella, Hired and Nonownership Auto, Workers Compensation

## **Other coverages to consider:**

Building, Earthquake, Flood, Leasehold Interest, Real Property Legal Liability, Exhibitions, Computer Fraud, Forgery, Cyberliability, Employment-related Practices, Professional, Business Auto Liability and Physical Damage, Stop Gap Liability