

CannaBusiness ERP Moves Mountains for Pure Greens

“We were built from the very beginning with the concept that we were going to be world class, we were going to be hyper-efficient and we were going to be scalable.”

- Sterling Stoudenmire, President and CEO of Pure Greens

STERLING STOUDENMIRE IS PRESIDENT AND CEO OF PURE GREENS, a growing cannabis supplier on the Arkansas River in Salida, Colorado. At an elevation of over 7000 feet, its location brings to mind a timeless setting where calm, peaceful serenity goes undisturbed. While that may be true, operations under the Pure Greens’ business-savvy leader are anything but idly taking in the view. Having come from the finance and technology sectors, Stoudenmire understands economics and his mind works

as an extension of his business systems. What could he possibly know about building a cannabis manufacturing company? As it turns out, a lot.

But this is not about Sterling Stoudenmire, this is a closer look at the struggles within a highly regulated industry in its infancy and Pure Greens, a growing wholesale cultivator who, on the forefront of innovation, needed a technology partner that shared in their vision.



Customer Story: Pure Greens

PURE GREENS

River Grown | Mountain Cannabis | Salida, Colorado | Elev. 7,143 ft.

Key Results:

- » Increased annual production from 1,200 lbs in 2014 to 8,000 lbs in 2018 and 20,000 lbs by 2020
- » Increased revenue to \$4 million, post-expansion expected revenue \$20 million
- » Multi-site capabilities
- » 360-degree view of operations
- » Easier, faster new product launches

Scaling a Mountain

Pure Greens was purpose-built to be a scalable provider for a diverse array of OEM cannabis and cannabis-based products. From its inception, the company has been committed to compliance, quality, reliability and operational excellence. Pride runs deep at Pure Greens as Stoudenmire puts it plainly, “We were built from the very beginning with the concept that we were going to be world class, we were going to be hyper-efficient and we were going to be scalable.”

And scale they have. Pure Greens now holds licenses for both Retail/Medical OPC and Retail/Medical MIPS. Over the previous eighteen months, Pure Greens has expanded from its original 20,000 square feet of greenhouse space to 95,000 square feet, separated between “Greenhouse I” and “Greenhouse II.” But growth hasn’t come easy.

The Wild West of Cannabis

Like the San Francisco Gold Rush in 1849, the green rush of cannabis businesses to market today has been

dizzying. When Pure Greens opened for business in 2014, the cannabis space was already a highly regulated industry but with few parallel examples from which cannabis manufacturers and cultivators could take cues. As the many cannabis software packages started sprouting up, Stoudenmire recognized their platforms as incomplete, homegrown and cobbled together. Early technologies were largely focused on cannabis dispensaries but were not addressing the needs of cannabis manufacturers.

As with any new industry, new obstacles and process evolutions were inevitable. This includes how local and state governments regulate grow facilities to the meticulous care needed for each product unit from seed to sale. It’s always been a numbers game so cannabis manufacturers needed more than abacus-like technology from which to extrapolate real data about their operations and support business decision-making. Successes and failures were tied to anecdotal data, assumptions and “guess-timates.” The solutions were few.

Black Hole of Data

When Pure Greens sought better technologies, Stoudenmire knew which major obstacles within his organization needed to be addressed and he knew Enterprise Resource Planning (ERP) capabilities in other markets. What he lacked was the right technology partner with knowledge of the cannabis space to help solve specific cannabis manufacturer voids.

Pure Greens' early systems amounted to poorly written software with worse documentation. Stoudenmire recalls on more than one occasion, after extracting privileged administrator passwords from software vendors, trudging through databases to understand how data was being collected and used. "I spent many late nights only to find out the database was a black hole. You couldn't get to your data or find out what was going on," he shared.

For Good Measure

Difficulties extracting usable data for making informed business decisions was only scratching the surface as Stoudenmire went on to uncover instances of unnecessary staff workarounds and a complete lack of function and user controls. Multi-site operations, which Pure Greens was actively planning, were not a remote possibility. When he realized he had no capacity to process their cannabis byproducts and their differing units of measure, he knew what he had to do. "You can't manage what you can't measure," Stoudenmire explains, "no one knew how to operate anything larger than a basement, it was a big problem for us. With no way to effectively run our existing operations, scaling was out of the question."

The process to find better ERP technology began. Stoudenmire started by looking at process manufacturing industries similar

to the cannabis industry who were heavily regulated and where terms like traceability and batch processing were well-known concepts. "We wanted to leverage the best practices from established and somehow similar industries," he recalls. Nutraceuticals and the food and beverage industry emerged. This is how Stoudenmire and Pure Greens initially found Sage X3, and CannaBusiness ERP. This combination of an industry-hardened workhorse system plus the cannabis industry-specific capability extensions of CannaBusiness ERP made NexTec an ideal candidate.



NexTec Group Presents... CannaBusiness ERP, built on Sage X3

Stoudenmire had plenty of experience with ERP implementation so he and his staff began their own research on Sage X3 and its capabilities. When an accounting consultant learned of their hunt for a Sage X3 partner, she immediately recommended NexTec Group for their experience in the cannabis industry.

"NexTec Group has expert knowledge of the cannabis industry and encyclopedic knowledge of Sage X3, its capabilities, and history," Stoudenmire appreciates.

Leading the Pack

The cannabis industry has come a long way since 2014, but even then Pure Greens was leading the way with their approach. Many early entrepreneurs suffered from tunnel vision regarding the day-to-day management of their operations and couldn't know or understand ERP. Pure Greens knew how ERP tools helped solve many of their growing pains and knew it needed to be compliance-focused. Today's innovative, process-oriented cannabis businesses are more common as Pure Greens became a leader in setting industry standards. "We needed consistency, reliability and repeatability," Stoudenmire recalls, "and it all came down to our ability."

The cannabis manufacturing industry is new and ever-changing, but NexTec has been a valued partner in meeting the challenges with their clients. "Sometimes the things we've needed have not been easy," Stoudenmire admits, "NexTec has always been very responsive with solutions."

Command and Control

"One of the biggest changes for me is a consolidated view of all the moving parts of our organization so that I have the ability to look out in front of the bus and see what's coming," Stoudenmire describes as he recalls not having any way to look at the operating big picture prior to CannaBusiness ERP. "It's quality control overall, knowing statistically what's happening, knowing what's failing, where and why. CannaBusiness ERP gives me a 360-degree view of things."

Since partnering with NexTec Group to integrate CannaBusiness ERP into their cannabis cultivation operations, Pure Greens has been able to design, build and launch new products like Willie's Reserve and V3 Oil, offered at more than 40 dispensaries throughout the state of Colorado.

Growing, Growing, Growing...

Improving on the original facility's 20,000 square feet, Pure Greens became multisite by adding Greenhouse I, which doubled their square footage to 40,000 square feet. And that's not all - Greenhouse II, the new 75,000 sq. ft. facility, already has 45,000 of its footage operational with the remaining 30,000 square feet becoming operational in 2019.

"Understanding our inputs, what are costs and our outputs, what works, what doesn't, that's where CannaBusiness ERP becomes a central conduit."

- Sterling Stoudenmire, President and CEO of Pure Greens

"We had a production of about 1,200 pounds a year when we opened Greenhouse I in March of 2017. Greenhouse I took us to about 4,000 pound a year pace, better than tripling the work that we were doing before," Stoudenmire happily explains. "With the first portion of Greenhouse II operational, we'll add somewhere between 6,000 and 8,000 pounds a year of production at an annualized pace." Pure Greens projects cultivating 20,000 pounds of market-ready cannabis when Greenhouse II is fully operational by 2020.

The organization has come a long way since 2014 resulting in Sterling Stoudenmire at the helm of a new Pure Greens. While Pure Greens still brings to market same river-grown cannabis for which they're known, today's Pure Greens is a world-class, hyper-efficient, scaling cannabis manufacturer.



Contact us at CannaBusiness ERP
and schedule a demo to learn more.

SCHEDULE A DEMO



Contact us to learn more:
844-466-8477

info@nextecgroup.com
NexTecGroup.com

About the NexTec Group

NexTec developed CannaBusiness ERP from years of experience in the cannabis industry. We've incorporated best practices from top growers and industry leaders across the world to bring you the best ERP solution.

NexTec Group is a national consulting firm that specializes in implementing Sage X3 solutions for mid-sized businesses. Its areas of expertise include enterprise resource planning (ERP), customer relationship management (CRM), business intelligence (BI), and cloud and on-premises solutions.