



Definitions:

Cannabis Business Terms

business plan	A document that sets out a business's objectives and strategies for achieving them
cannabis collective	Organization that facilitates the joint effort of patients and caregivers, including the division of costs and revenues
compliant	Meeting the rules or standards set forth by a government for an industry
demographics	Statistical data relating to the population and particular groups within it
gross margin	The difference between revenue and cost of goods sold, divided by revenue
HIPAA	Health Insurance Portability and Accountability Act, a US law designed to provide privacy standards to protect patients' medical records and other health information
margin	The difference between the seller's cost for acquiring products and the selling price
market penetration	The extent to which a product is available in a particular market for customers to buy
merchant account	A bank account that enables the holder to accept credit cards for payment
micro influencer	A person who has 100,000 to 500,000 followers on a social media channel
moratorium	A temporary prohibition of an activity
pitch deck	A short series of slides that outlines a basic business plan, usually accompanied by an in-person presentation
profit margin	The amount that sales revenue exceeds the cost of doing business



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revenue Income of a company or organization

SEO Search engine optimization. The process of maximizing the number of visitors to a website by ensuring the site is high on the list of results returned by a search engine.

SOP Standard operating procedure. Written instruction on how to perform an activity

target market Specific group of people you want to sell products to

wholesale Sale of goods in large quantities from a business to a business

yield The usable amount of an agricultural or industrial product or raw material

point-of-sale system A combination of software and hardware that allows merchants to take transactions and simplify key day-to-day business operations

surety bond A legally binding contract between three parties (the principal who needs the bond, an obligee who requires the bond, and a surety company that sells the bond). The bond guarantees the principal will act in accordance with certain laws. If the principal fails to perform in this manner, the bond covers resulting damages or losses.

vertical integration A business structure where all parts of a cannabis product (cultivation, manufacturing, sales) are completed by the same organization. Sometimes mandated by governments.

black market Illegal traffic or trade in officially controlled or prohibited products

niche A specialized segment of the market for a specific type of product or service

dispensary A facility that prepares and sells cannabis to consumers and/or patients