

A close-up photograph of cannabis seeds and leaves on a wooden surface. The seeds are small, round, and have a mottled brown and tan pattern. The leaves are bright green with serrated edges. A yellow banner is overlaid on the top left of the image.

# The green light

Canadian cannabis retail  
market entry strategy

The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

Building a better  
working world

# Contents



01





# Introduction and context

When was the last time an entirely new industry upended the Canadian retail landscape, simultaneously giving Canadian companies the runway to become global leaders?

When we look back at transformative shifts in the retail market, the introduction of cannabis as a legal industry will be a signature development of our era. This long-anticipated move will create an entirely new sector of the formal economy, and presents an enormous opportunity for retailers looking to be at the forefront of a budding new industry, as Canada becomes the first of the G20 countries to nationally legalize cannabis.

To succeed in a largely undefined retail landscape, businesses must develop comprehensive market entry plans. With provincial regulations varying from full privatization to government-run cannabis stores, retailers must adapt their strategies to geographic-specific legislation, taking into consideration that an integral element to their success will be the ability to adapt – to changing legislation, taxation and customer preferences.

Though the hype surrounding the cannabis market may make it seem like any retailer who can secure a license will experience success, it's how retailers define and execute their chosen strategies that will determine their ability to compete in the long term.

Success in retail cannabis will take a lot more than just securing a license, complying with regulations and setting up shop in a desirable location. Cannabis retailers will need to convert current customers of the established illicit market from the outset, while also compelling curious Canadians of the safety, convenience and customer experience of the legal market.

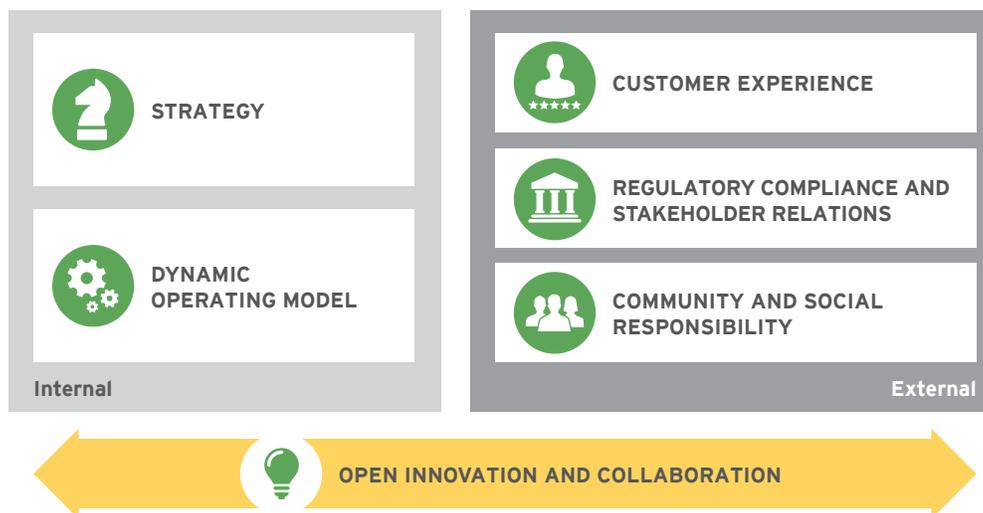
To do so, retailers must craft customer experiences that will delight their clientele by offering captivating customer service, omni-channel touchpoints and quality product offerings. They must also build agility and resilience into their operating models, especially in the early days as the government continues to evolve tax policies and regulations. Companies that fail to be flexible will not be successful in this undefined market.

# 02

## Market entry strategy framework

The six blocks for an effective market entry strategy

Success in Canada's budding cannabis industry relies on having a thorough knowledge and understanding of the following six factors. Adopting a strategy that considers and focuses on each of these factors will be the key to making the most of emerging market opportunities.



### Strategy

As with most new ventures, groundwork should always start by creating a well-defined strategy anchored on an aspirational purpose. This will establish the company's overarching direction, setting a clear vision and strategy that defines what the organization wants to be and how it will achieve it.

In its purest form, the strategy aligns a company's purpose with a set of design principles defining how it will operate. It provides consistency and structure to guide decisions through a set of criteria against which to evaluate the organization's operations on a regular basis, ensuring it is meeting its customers' needs and helping achieve its purpose and strategic objectives.

When developing a strategy, it will be critical for retailers to align on what their organization's market leadership focus will be: cost leadership, product leadership or the best total customer solution.

It's difficult, if not impossible, to be a market leader in all three spheres. So it's crucial to choose a path for market leadership and stay focused on your strategy. In addition to this, retailers must consider that their overall go-to-market approach will be different depending on whether they are government-run, standalone independent operations, part of an integrated organization with licensed producers (LPs), or international companies.



When it comes to strategy development, we believe that strategy should consist of at least the following three elements:

- ▶ **Purpose:** The answer to “why” an organization exists – an aspirational reason for being that serves to set strategic vision and decision-making. A strong purpose inspires both customers and employees, and galvanizes people to ignite long-lasting positive change, and fuels sustainable growth.
- ▶ **Design principles:** Guidelines that establish the doctrine for design decisions and ensures alignment to the purpose. Design principles translate strategy into a set of guidelines establishing the fundamental norms, rules and/or ethics that represent the organization's values, which drives the organization's actions and processes.
- ▶ **Service delivery framework:** The mechanisms through which the organization delivers value to its customers. The service delivery model denotes how the company executes its operations, delivers its services, supports its people, engages its partners and maintains relationships with its stakeholders in pursuit of its purpose. The service delivery framework identifies the organization's key service areas and core, high-level activities (end-to-end service delivery), and describes key interactions among different parts of the organization and how they must work together to deliver tangible outcomes to their customers.

### The impact of purpose?

**3,000%**

The likelihood that an employee at a purpose-led company will stay compared to average

**72%**

The percentage of global consumers who would recommend a purpose-led company

**1,000%**

The margin by which purpose-led companies outperformed the S&P 500 from 1996-2011

Companies that prioritize purpose experienced a **growth of 10%** or more over the past three years

Learn more about [EY's industry-leading work with the Beacon Institute](#)

As with any consumer packaged goods, both LPs and retailers will need to craft well-articulated and thoughtful strategies to create brands that tell stories aligned to their customers' values. Most retailers, especially at the onset of legalization, will fundamentally satisfy consumers' functional requirements from cannabis.

However, improved product choice, elevated customer experiences and distinguishable brand differentiation can be created by satisfying more sophisticated consumer needs, such as emotional needs (e.g., wellness, nostalgia, entertainment, design), social needs (e.g., affiliation and belonging, status, self-actualization) and ultimately self-transcendence – where a brand allows consumers to satisfy their own needs while experiencing something greater than themselves.

Given analyst expectations that the cannabis adult-use market will mirror that of the food and beverage industry (specifically alcohol and tobacco over time), where products are generally commoditized, it's critical that companies create purpose-based organizations that speak to their customers' value drivers beyond the product's functional use.

An aspirational, customer-centric and purpose-driven strategy helps provide the directional compass for the organization, giving leaders and employees focus, a guiding light and something to work towards.





## Dynamic operating model

An operating model converts a company's strategy into operational capabilities. It serves as the blueprint for execution and provides a clear guide for the leadership team, operational managers and frontline staff. Essentially, the operating model is the backbone of the business and will be critical to building and scaling a successful customer experience. To learn more about the building blocks of an operating model, refer to [Operating models: Delivering on strategy and optimizing processes](#).

Given the variability in the cannabis sector, it is critical for retailers to build a flexible operating model which can adjust to anticipated changes to the environment, such as:

- ▶ **Tobacco-like restrictions at the onset with room for relaxation** - The Federal Task Force on Cannabis Legalization and Regulation has recommended tobacco-like rules for cannabis at the outset. Though this seems initially restrictive, the general approach to legalization has been to err on the side of caution, since it's easier to have heightened restrictions at first and then leave room to loosen them later, which we believe will be the case.
- ▶ **A phased approach to cannabis purchase and consumption legalization** - Upon legalization, adults will be able to legally purchase and consume fresh or dried cannabis, cannabis oils, plants and seeds. The government opted for a phased approach for cannabis edible products and concentrates, authorizing the legal sale and consumption no later than 12 months following the coming into force of the proposed Cannabis Act.
- ▶ **Rapidly evolving cannabis consumption methods** - The variety of methods in which cannabis can be consumed is increasing, which has led to many product categories being available, especially in more mature markets such as Colorado, Washington and Oregon. Though smoking remains the most popular method, consumer concerns of adverse effects on the respiratory system have resulted in edibles and concentrates gaining popularity. Data from mature markets with legalized adult use demonstrates that edibles and concentrates are the fastest-growing product categories.
- ▶ **Uncertainty and expected change in government taxation** - Government tax policy will work on achieving two major goals: first, discouraging consumption among young Canadians, and second, reducing the profits in the illicit cannabis market. Given the current prices of legal cannabis, we expect that there will be little room to apply tax without significantly increasing the legal price over the illicit price. That said, we expect that government tax rates may well change over time as the cost of cultivation through legal means is drawn down. This uncertainty surrounding price and taxation means companies must be able to differentiate on other means aside from price, and have operating models to adapt to changes in tax policy.





These four factors converge and diverge on various points of seed-to-sale spectrum, so it will be critical for both LPs and prospective retailers to build robust operating models that will allow them to easily adapt and adjust their product development and customer delivery channels.

When structuring their operating models, retailers must consider the core pieces that will allow them to be successful market leaders in their chosen area of focus. Instilling their focus area into their operating model will allow businesses to align their culture, management systems, core processes, organization and IT with their chosen strategy, enhancing their ability to become leaders in their respective discipline.

As all retailers expand, it will be essential to scale their operations rapidly in what is expected to be a high-growth market. The ability to get products into the market aligned to customer demands in tandem with government regulations will be a key differentiating factor between market leaders and laggards. Achieving this will be paramount for early mover advantage and subsequent scaling, and could have a significant impact on customer retention and brand loyalty in the near and medium term.

A strong operating model translates the strategy into more structured mechanics of how the work will get done, providing employees with clarity on minimum expectations of how to operate and make decisions. Doing so helps to manage company risk and supports the company to scale in a rapidly growing market.





## Customer experience

At EY, we've come to look at people as "homo informaticus" – intelligent and sophisticated consumers augmented by access to information at a scale that would have been inconceivable for previous generations. Today more than ever, with easy and quick access to information, consumers actively search for product differentiators such as quality, price, design and branding before they buy a product. In other words, people are now more thorough and more cautious in their buying decisions.

We expect this behaviour to carry through into the cannabis retail experience, especially given that this is a newly legalized industry where there will likely be an influx of first-time consumers.

All cannabis stores will need to have an element of customer experience to compete in the retail market, but each with varying degrees. Those who have developed their strategy and operating model around the customer intimacy discipline will have customer experience as their core ambition.

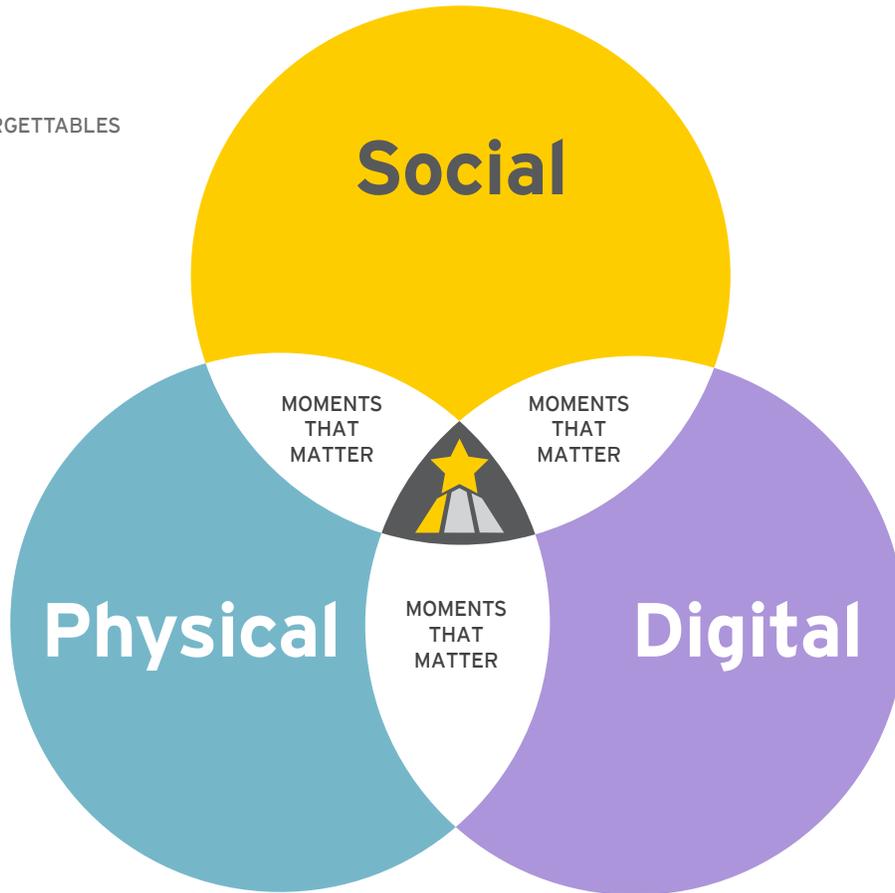
As we see in the food and beverage space, the rapidly shifting marketplace – along with associated shifts in customer expectations for how they interact with companies – is driving new demands on engagement. The food and beverage industry has become increasingly customer-centric through a mix of targeted business model shifts along with elevated customer experiences.

With legalization at the doorstep and validation of consumer trends through more mature cannabis markets, it's easy to predict that Canadian cannabis companies can drive similar go-forward customer engagement strategies as the food and beverage industry, many of which can be immediately adopted:

- ▶ **Anytime, anywhere prime customer service** - An omni-channel approach that provides consistent customer experience and new services, with availability and integration of channels no matter your location. Though this may be challenging given the varying cannabis sales regulations across the different provinces, companies can create unified and consistent omni-channel experiences by looking beyond direct point-of-sale contact (e.g. with their digital presence or social media strategy) to create customer experiences that resonate.
- ▶ **Drive to reduce cost** - Enhancements in distribution networks, improvement in fulfilment capabilities and adoption of new technologies to enable lower costs, which will eventually be passed on to the customer.
- ▶ **Educating and empowering frontline staff** - In an industry where digital purchases will be limited, it will be critical for companies to thoroughly educate frontline employees about products, which will heighten the customer experience at the point of sale and empower employees by allowing them to take ownership of the customer relationship to build loyalty.
- ▶ **Making customer connections convenient and immediate** - Designing the customer experience to conveniently connect with their customers directly – in some cases at any time – with a value proposition that aligns to their value drivers, such as price, selection and service.



At the core of it all, to create “moments that matter” and “unforgettables,” companies must create experiences that are continuously evolving, forward-looking, personalized and holistic along three platforms – social, physical and digital.



CONTINUOUSLY  
EVOLVING

FORWARD-LOOKING

PERSONALIZED

HOLISTIC

Customer service is not a department, it's a *philosophy* to be embraced by everyone in the organization – everyone plays their part in contributing to an exceptional customer experience.







## Regulatory compliance and stakeholder relations

In an industry fraught with regulatory uncertainty, cannabis companies must ensure they are compliant with regulations at three levels, in addition to building healthy relationships with the government and major stakeholders to achieve their vision and succeed in the market. Given the differing regulatory contexts and requirements across the various levels of government, compliance must be maintained and relationships should be built at all levels – federal, provincial and municipal.

Though any business deals with regulations, the novelty of the cannabis industry means less regulatory certainty and more regulatory scrutiny for retailers. Companies must remain hyperaware of regulatory changes, ensuring their businesses remain compliant in a timely manner. All employees, from executives to front-line staff, must understand the importance of compliance, and companies should openly discuss strategies for compliance and consequences as a result of non-compliance. The final piece retailers must integrate is transparency – ensuring that both government and the greater community understands how the retailer is achieving compliance and the importance placed on regulatory compliance at the company.

Retailers need to identify their key stakeholders, proactively reach out to them, listen to their concerns, understand what is and isn't working and act when appropriate with transparency and accountability in all operations. Key stakeholders will vary from retailer to retailer, but could include landlords, lenders, owners and community groups. Listening and proactively engaging with these parties will be a key leap in stepping away from shadows cast by the illicit black market over the years, which have been mired with secrecy and elusive operations.

There are three major considerations for retailers to adopt in their stakeholder engagement:

- ▶ **Planning and preparation:** Thorough and inclusive planning includes key message review, communication training, setting expectations, defining success factors and ensuring each point of engagement with stakeholders has impact with the real potential to make a difference.

- ▶ **Execution:** Throughout the stakeholder engagement effort, strive for collaboration, supporting and encouraging participants, government, community institutions and others to work together to advance the common good. Openness is important to helping all involved listen to each other, explore new ideas unconstrained by predetermined outcomes.
- ▶ **Close and follow-up:** Strive for learning opportunities after the effort. This involves rigorously evaluating stakeholder engagement for effectiveness by collecting feedback, measuring success factors and sharing results of the meeting with participants. In addition to this, the principle of a feedback loop is critical, where participants describe what occurred during the meeting with stakeholders and outline any requests made and the relevant responses to stakeholders. Finally, sustained engagement and participatory culture is important as part of the close process, highlighting the necessity for companies to promote an internal culture of participation and encourage commitment to leading practices that support ongoing stakeholder engagement.

Having a strong two-way relationship with government and key stakeholders can also help retailers anticipate what to expect next and immediately address it, allowing them to pivot their strategy and operating model in expectation of any changes. Leaders in the industry will have a line of sight into the future and be able to work on it today – and in some cases help shape the regulation through thoughtful engagement and advocacy.

In a rapidly changing new market, building trusted relationships with stakeholders and integrating regulatory compliance as a mandate will help retailers pivot internally with enough lead time to be almost instantaneously market ready and compliant.





## Community and social responsibility

The legalization of cannabis has not been an easy path, with advancement in the process being met with almost equal opposition. Much of this stems from preconceived social stigmas associated with cannabis use. To succeed in the market, breaking the stigma should be a critical part of the go-to-market platform of any retailer or customer-facing brand.

Some of the strongest platforms to help change the image of cannabis and improve adoption into mainstream lifestyles are effective community engagement and genuine social responsibility. While the research regarding the benefits and importance of both varies, several key themes are commonly agreed upon:

- ▶ **Improve trust and public image** - Most consumers feel good shopping at places that support the community. Companies can easily improve their public image by supporting not-for-profits through monetary donations, volunteerism, in-kind donations of products and services, and strong partnerships. By subsequently publicizing these efforts, companies can help shift their image to become more favorable to their customers and the public. It will be important to ensure that any act of philanthropy is genuine and aligned to the company's purpose.
- ▶ **Increase likelihood of community acceptance** - Many retailers are faced with challenges finding real estate – not because they can't afford it, but more because they are unwanted. Landlords are often hesitant to accept cannabis companies due to perceived negative impacts on the business of their pre-existing tenants. By getting involved in the community, even pre-launch, cannabis retailers can improve their chances of being accepted and help alleviate any negative connotations associated with their organization.
- ▶ **Create opportunities to discuss concerns** - By getting out in the community and having regular, ongoing discussions with people in more socially acceptable environments, cannabis companies can break down social silos and develop a better understanding of the public's concern, which can then be integrated into their operating model as an improvement opportunity.
- ▶ **Empower the public** - Educational programs have been a staple for most companies with prevalent social responsibility programs due to their relative success in improving awareness and building communities. Both retailers and LPs can look at this avenue as a pathway to help dispel the negative stigmas around cannabis consumption by bringing evidence-informed topics to the forefront.



Given the relatively new adult-use market in Canada, leading customer-facing cannabis companies will also need to play a significant role in customer education. This can encompass multiple areas that remain confusing to the masses:

- ▶ The difference between black market products and regulated products
- ▶ The different modes of consumption, including their positive and potentially adverse effects
- ▶ Safe and responsible cannabis consumption based on the time-lapse impacts of the various methods of consumption
- ▶ The effects of the various cannabinoids in the plant

Ultimately, community engagement and corporate social responsibility have become standard business practice in our time, with most consumers expecting this to be a pillar of any company they choose to support. Companies and brands committed to these causes are viewed with distinction and achieve an enhanced overall reputation. Community engagement and the establishment of corporate social responsibility will be a crucial part of any retailer's competitiveness, social acceptance and long-term sustainability.

Reputation management will also be critical, especially with Canada leading the way on the global stage. Countries that expect to follow Canada in terms of legalizing adult-use cannabis will be paying close attention to how our companies respond to regulation and perform in the market. Building a strong public-facing brand can greatly influence a company's success. By better communicating the strategic direction of their operations and work they're doing in the community, cannabis companies can create greater transparency, and thereby strengthen government and community relations, attract talent and improve employee retention. Companies that do not communicate effectively can risk creating an atmosphere of mystery and, as a result, anxiety among multiple stakeholders.

Consumer needs are often greater than simply the product, and there is a moral obligation to social responsibility that is about more than just profits. The measure of any enterprise is not what it says about itself, but what others say about it and whether they choose to affiliate with it – as employees, as customers, as neighbours and as Canadians.







The notion of innovation should also encompass a company's organizational design. With a new frontier ahead of us, we're both learning and building at the same time – the analogy of “building the car while driving it” comes to mind. When navigating uncharted territories, cannabis companies must promote various internal functions to work closely together, such as cultivation and marketing in the case of LPs, and frontline staff and supply chain in the case of retailers. It will also be necessary to create new company roles to ensure that progress and adaptability happen seamlessly and efficiently.

In the grander scheme of things, collaboration between LPs, retailers, service providers, government and nonprofit organizations will be critical to the success of the industry as a whole. Everyone will need to work together to develop products for consumers that are held to standards and guidelines which will shape the future of Canada as a leader in an undefined market, and set a global example for the world to follow.

It's important to consider that most innovation comes from outside your company, not from within.



# 03

## Ask the right questions

Address gaps in your market entry strategy and identify opportunities for differentiation.

In developing their market entry strategy, it's critical for retailers to consider relevant questions that will help speak to their customers' core value drivers. Cannabis retailers must address a number of important questions around strategy, operating model, customer experience, government and stakeholder relations, community responsibility and continued innovation to effectively capture market share from the onset of legalization, and to create value for their chosen customer base. Doing so will allow organizations to establish themselves from the start, stabilize their operations, and scale and grow their businesses in the years to come.

### STRATEGY

- ▶ What are our mission and vision, and ultimately our purpose?
- ▶ What do we want to be known for?
- ▶ Who is our customer?
- ▶ Do our mission, vision and purpose resonate with our customer?
- ▶ What is our long-term vision in our province(s) of operation?
- ▶ How are we differentiating ourselves from other retailers?
- ▶ Are there opportunities for us in international markets as other governments loosen cannabis regulation and move towards legalization?



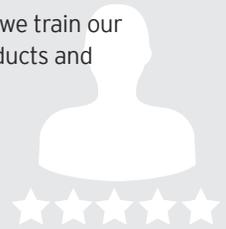
### DYNAMIC OPERATING MODEL

- ▶ How do we organize to best get things done?
- ▶ What are our key metrics and how do we measure success?
- ▶ What does our governance model look like? It is implicit or explicit?
- ▶ What experience do we build in each of our delivery channels? How do these combine for an integrated brand experience?
- ▶ How can we leverage analytics to approach and connect with today's "smart" consumers?



## CUSTOMER EXPERIENCE

- ▶ How do we delight our customers, reward them and build loyalty?
- ▶ What products should we carry and how do we ensure our product selections are aligned to our customers' demands?
- ▶ What is our product procurement strategy?
- ▶ What does our retail store look like and how does that support the intended customer experience?
- ▶ What systems do we have in place to ensure that high-demand products are always in stock?
- ▶ What can we do to empower employees to be brand ambassadors of the customer experience?
- ▶ What opportunities are there for personalization of experience?
- ▶ How do we generate and incorporate feedback and insights from our customers?
- ▶ What is the role of our employees, processes and tools in delivering an improved customer experience?
- ▶ How (and to what level) will we train our front-line associates on products and customer education?



## REGULATORY COMPLIANCE AND STAKEHOLDER RELATIONS

- ▶ Who are our key stakeholders? Why?
- ▶ What are the appropriate methods of communication with the government and our key stakeholders?
- ▶ How can we build relationships with key influencers to be a part of the discussion on future regulatory changes?
- ▶ What will we do to proactively ensure that employees at all levels of our organization are complying with legislation?
- ▶ How will we mitigate risks of potential adverse changes in regulation?



## COMMUNITY AND SOCIAL RESPONSIBILITY

- ▶ How will we measure our social impact?
- ▶ What opportunities exist for strategic community partnerships?
- ▶ How can we engage our employees in community and social responsibility initiatives?
- ▶ How will we participate in community-based education?
- ▶ How will we engage in constructive dialogue with and respond to concerns of key community members?



## OPEN INNOVATION AND COLLABORATION

- ▶ How do we adapt to changing customer preferences and methods of consumption?
- ▶ How do we align our current offering with key growth segments?
- ▶ What is the role of digital and how do we leverage technology to improve strategy and customer experience?
- ▶ Who should we partner with to develop new services for our customers?
- ▶ What is our digital roadmap?



# 04

## Adapt the framework

Understand where you are and where you're going

Retailers must identify where they fit on the maturity model now and where they want to be in the future. The goals and strategies of basic, established and leading retailers are not the same. Understanding where you fit on the continuum is the first step in planning and executing a successful market entry strategy.

	BASIC	ESTABLISHED	LEADING
STRATEGY	<ul style="list-style-type: none"> <li>▸ Informal strategy</li> <li>▸ Knowledge of strategy limited to executive team</li> </ul>	<ul style="list-style-type: none"> <li>▸ Documented and accepted strategy</li> <li>▸ Knowledge of strategy lies with all levels of management, but not communicated to frontline staff</li> </ul>	<ul style="list-style-type: none"> <li>▸ Detailed and well-developed strategy with strong alignment to core customer values</li> <li>▸ Knowledge of strategy is organization-wide and lived by each employee</li> </ul>
DYNAMIC OPERATING MODEL	<ul style="list-style-type: none"> <li>▸ Operating model is not documented, but directional knowledge exists within the organization</li> </ul>	<ul style="list-style-type: none"> <li>▸ Established operating model with well-defined key components</li> <li>▸ Variability exists in the application and maturity of the various components</li> </ul>	<ul style="list-style-type: none"> <li>▸ Well established, communicated and implemented operating model</li> <li>▸ Operating model is adaptable and resilient to taxation, regulation and consumer demand changes</li> </ul>
CUSTOMER EXPERIENCE	<ul style="list-style-type: none"> <li>▸ Customer experience is transactional</li> </ul>	<ul style="list-style-type: none"> <li>▸ Elements of customer experience exist, but are inconsistently practiced by frontline staff</li> <li>▸ Omni-channel strategy exists, but customers can experience variability in brand cohesiveness across channels</li> </ul>	<ul style="list-style-type: none"> <li>▸ Cohesive, omni-channel customer experience</li> <li>▸ Consumer has a consistent brand experience across all platforms</li> </ul>
GOVERNMENT AND STAKEHOLDER RELATIONS	<ul style="list-style-type: none"> <li>▸ Meets basic regulatory and financial requirements</li> </ul>	<ul style="list-style-type: none"> <li>▸ Meets basic regulatory requirements with possibility of excelling in some</li> <li>▸ Adapts model to changing regulations in a timely manner</li> <li>▸ Has established relationship with key stakeholders (landlords, community leaders, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▸ Key influencer with government and major industry stakeholders</li> <li>▸ Proactively anticipates changes and pivots internally with enough lead time to be market ready from day 1</li> </ul>
COMMUNITY AND SOCIAL RESPONSIBILITY	<ul style="list-style-type: none"> <li>▸ Community engagement and social responsibility are not a management team priority</li> </ul>	<ul style="list-style-type: none"> <li>▸ Community engagement and social responsibility are undertaken, but initiatives feel disparate with no strong alignment to strategy</li> </ul>	<ul style="list-style-type: none"> <li>▸ Active profile in community</li> <li>▸ Engaged in causes which are strongly aligned to organization's strategy and purpose</li> </ul>
OPEN INNOVATION AND COLLABORATION	<ul style="list-style-type: none"> <li>▸ No innovation agenda</li> <li>▸ Departments are siloed with minimal organization-wide collaboration</li> </ul>	<ul style="list-style-type: none"> <li>▸ Innovation platform and processes in place, but not fully adopted</li> <li>▸ Cross-functional collaboration exists</li> </ul>	<ul style="list-style-type: none"> <li>▸ Innovation is embedded in strategy and organizational culture</li> <li>▸ Collaboration is promoted and rewarded</li> <li>▸ Organization is seen as a leader in this space</li> </ul>

# 05

## Build a foundation for long-term success

The legalization of cannabis presents an enormous challenge and opportunity for retailers in Canada. Organizations that successfully capitalize on the potential for first-mover advantage in the market have the chance to become household names and key players as the cannabis industry continues to develop in the coming years. Not only that, but these businesses have unprecedented access to a larger stage as the world watches Canada step into exciting, uncharted territory for a G20 country.

Organizations must tactfully develop their market entry plan to fully realize this opportunity, taking into consideration the need for a strong strategy and dynamic operating model, the potential to differentiate in customer experience, the importance of robust stakeholder and community relations, and instilling values of

innovation for continued success in the long term. By implementing these core elements into their market entry, businesses will effectively be able to capture market share from the onset of legalization and maintain a strong position as the industry grows.

When was the last time an entirely new industry upended the Canadian retail landscape, simultaneously giving Canadian companies the runway to become global leaders?

And how will you take advantage in Year 0?



# How EY can help

Our integrated service lines are here to help:



## Advisory

Our Advisory practice works with you to turn thinking into execution; to accelerate profitable innovation and digital ecosystems, deliver breakthrough innovation strategies, optimize organizations' capabilities, and help drive growth and manage risk. Together with our diverse teams, global connectivity and understanding of your industry issues, we deliver better outcomes and long-lasting results, from strategy to execution.



## Transaction Advisory Services

Our Transaction Advisory professionals work with clients to help them make better and more informed decisions about how they strategically manage capital and transactions in a changing world. We bring together a unique combination of skills, insights and experience to deliver tailored advice attuned to your needs – helping you drive competitive advantage and increased shareholder returns through improved decision-making across all aspects of your capital agenda.



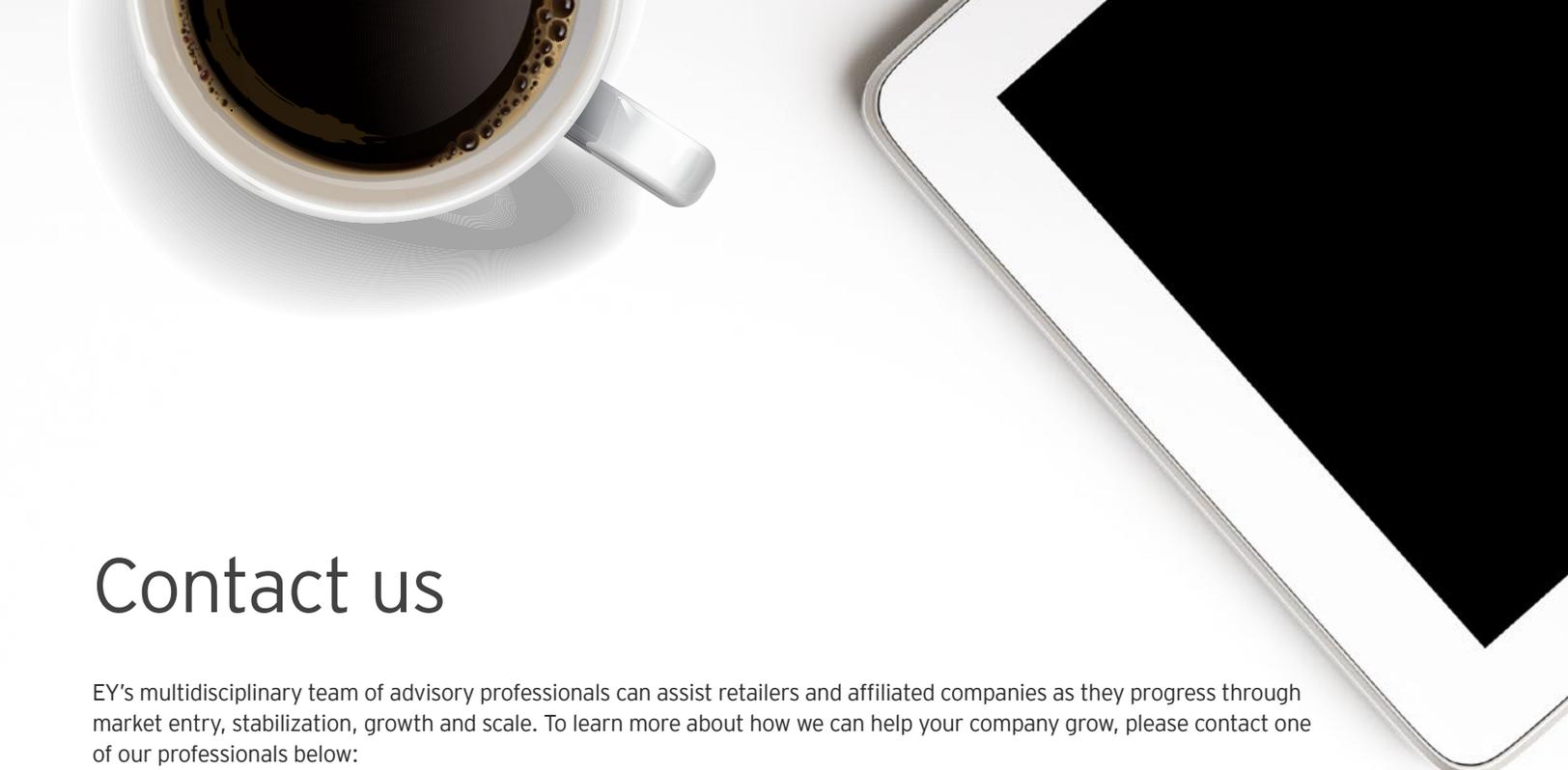
## Tax

Our Tax services team can help you navigate the shifting landscape of business and tax. Our people and global resources can help you develop and execute business strategies quickly and effectively, with strong accountability and governance. We blend local country technical knowledge with appropriate regional and global insight on the latest developments to meet your tax and reporting needs as well as deliver on your people agenda.



## Assurance

Our Assurance professionals provide confidence about the validity of financial statements, business-critical information or processes to companies, investors and regulators. Assurance skills are not limited to audit or finance – our Assurance professionals also help organizations make informed decisions about monitoring and reporting on environmental policies, governance and fraud investigation.



# Contact us

EY's multidisciplinary team of advisory professionals can assist retailers and affiliated companies as they progress through market entry, stabilization, growth and scale. To learn more about how we can help your company grow, please contact one of our professionals below:

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