

Financial Foundations 102

Financial intelligence for better business decisions



45 MINUTES WITH A CFO —
BUILT FOR CANNABIS FOUNDERS,
CEOS, AND OPERATORS.



STRATEGY



INSIGHT

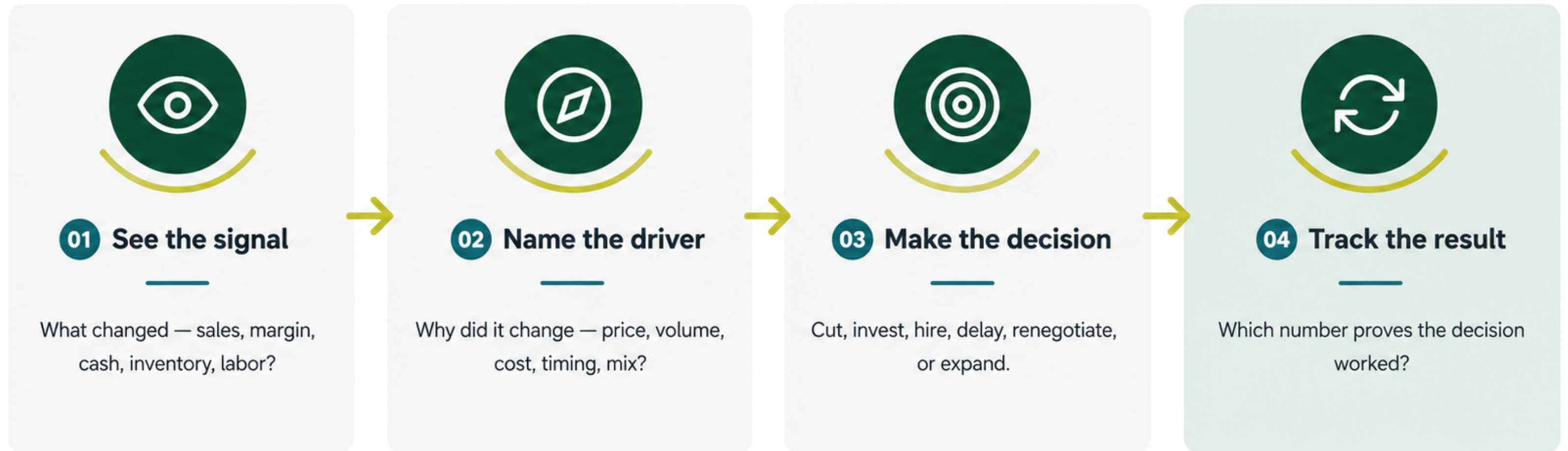


GROWTH



IMPACT

The CEO Decision Framework



“

Numbers become powerful when they create a decision and a follow up.”

YOUR CLIENT FOR THE NEXT 45 MINUTES

Meet Green Peak Co.



Licensed cannabis retailer with a small wholesale line. About 1,250 units a month and growing — but the month still ends at a small loss, and the founder wants proof the model can carry what comes next.



\$40

average selling price



\$19.20

variable cost per unit (48%)



\$28,000

monthly operating costs



\$75,000

cash in the bank



THE DECISION ON THE TABLE

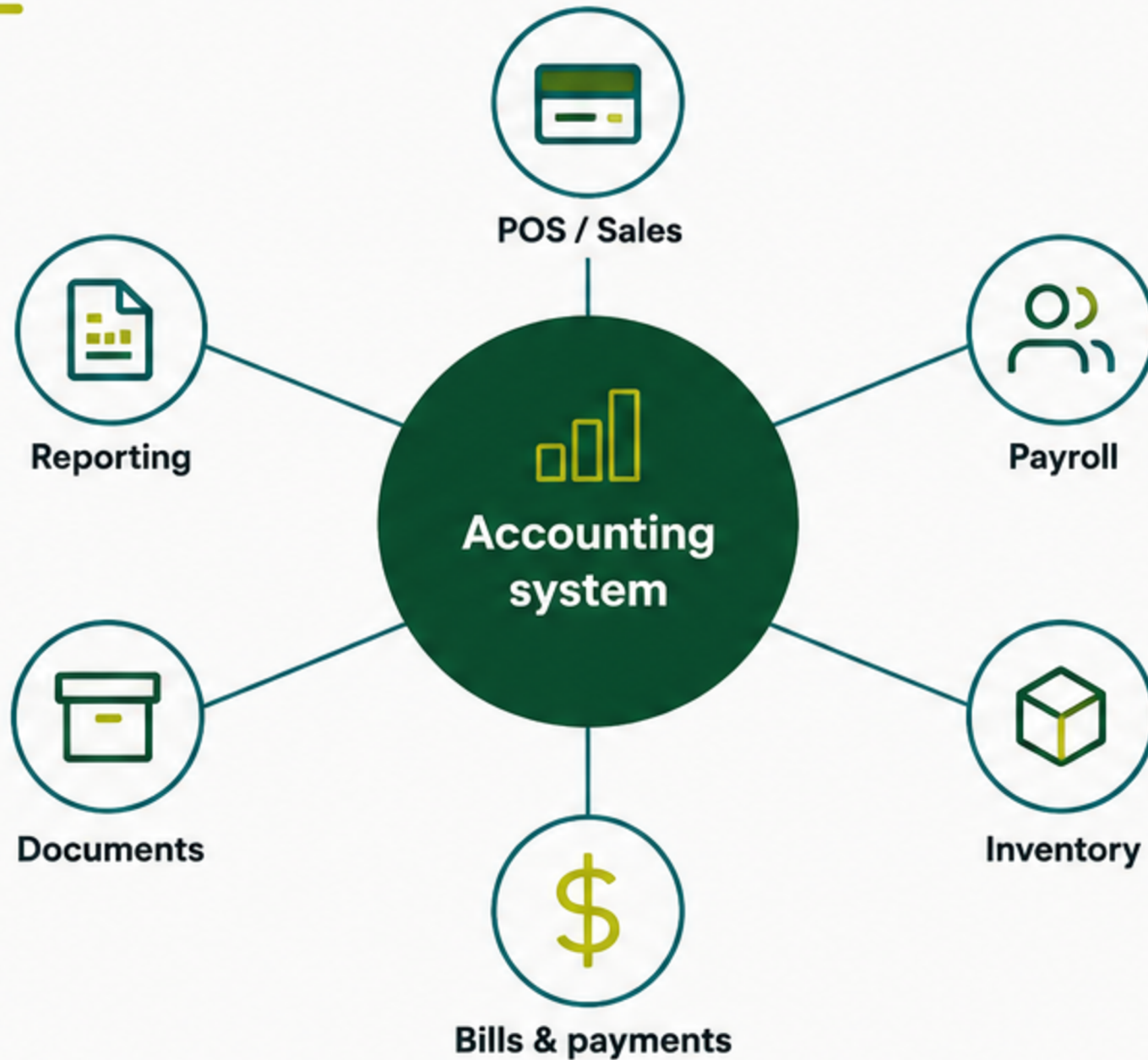
Can Green Peak afford another budtender?

\$4,000 a month, starting in July.

Every tool today moves us closer to answering it with evidence.



Green Peak's Stack Is a Nervous System



The question is not whether you own tools.

It is whether they talk to each other well enough to produce one version of the truth — sales, product cost, payroll, inventory, and cash, reconciled in one place.

In cannabis, the stack is also the compliance stack and the audit-defense stack.



YOU ARE THE CEO

If you needed last month's true product cost today — **where would you look**, and would two systems agree?

Every System Owns One Truth



POS / Sales

Every sale captured, categories mapped to the books



Accounting

Statements, reconciliations, the official record



Payroll

Wages, taxes, and worker classification documented



Inventory

What you hold, what moved, what it truly cost



Documents

The receipt behind every number, findable in minutes



Reporting

Records turned into decisions, not decoration



“Technology does not solve weak process. It amplifies whatever process you put underneath it.”



Where Spreadsheets Belong



Spreadsheets are for thinking



Planning and projections



Break-even and pricing scenarios



KPI summaries and decision support



Spreadsheets are not the record



One person's memory, manual updates



Unprotected formulas, silent breaks



Uncontrolled, they weaken lender, CPA,
and investor confidence

“

*Spreadsheets should help you think.
They should never be the only place your financial truth lives.”*



Same Street. Same Sales. Different Tax Outcome.

The federal landscape changed — but not for every cannabis business. The April 28, 2025 federal rule created a new framework affecting FDA-approved marijuana products and marijuana associated with qualifying state medical marijuana licenses; marijuana outside those categories remains in Schedule I under the rule. The practical tax impact depends on a company's specific facts and should be determined with qualified cannabis tax counsel.



Dispensary A — disciplined

- ✓ License and activities reviewed with tax counsel — no assumptions
- ✓ Product costs backed by invoices and inventory records all year
- ✓ Costs categorized defensibly; tax cash reserved monthly



Can defend the treatment it is entitled to claim



Dispensary B — “we’ll sort it in April”

- ✗ Assumes the new rule covers everything it does
- ✗ One expense pile, sorted at year-end — unsupported under review
- ✗ Cash spent before the tax bill arrives



Cannot support what it hoped to claim



“A founder should never be surprised by taxes.”



Profit Is Not Spendable Cash



\$12,469

December's profit



– \$3,117

tax set-aside (25% — illustrative)



\$9,352

actually spendable

Green Peak moves tax money out of reach the month profit is earned. The **25%** is an illustrative planning rate — your CPA sets the real number for your license and circumstances. The habit is what keeps tax season from becoming a cash crisis.



“In cannabis, profit is not the same as cash — and cash is not the same as spendable cash.”



Green Peak's Readiness Check



Bank statements reconciled monthly



POS & sales reports saved monthly



Product costs backed by invoices



Every expense has receipt + purpose



Payroll & contractor forms documented



Inventory counts and waste supported



Tax cash separated before it's needed



CPA questions written before year-end



5 of 8 ready. Every under item is this month's homework — readiness is a rhythm, not a season.



Read the Story, Not the Numbers

SIGNAL WHAT IT MAY MEAN DECISION DIRECTION



Revenue up,
still below break-even



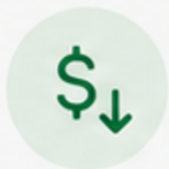
Growth is real — volume
hasn't crossed the
1,347-unit line yet



Work the levers:
volume, price, cost, mix



Cash down while
running at a loss



Monthly operating losses
are consuming the cushion



Watch runway:
test big moves in the
projection first



Inventory turns
below target



Cash sitting in slow product



Pause reorders;
move slow product



"Inventory is cash wearing a disguise."

The Anatomy of Every \$40 Sale



\$19.20 variable cost (48%) —
product, packaging, fees



\$20.80 contribution margin (52%) —
what each sale contributes

Every month, contribution margin has one job: bury the fixed-cost wall.



\$28,000

monthly fixed costs —
rent, salaries, software, insurance



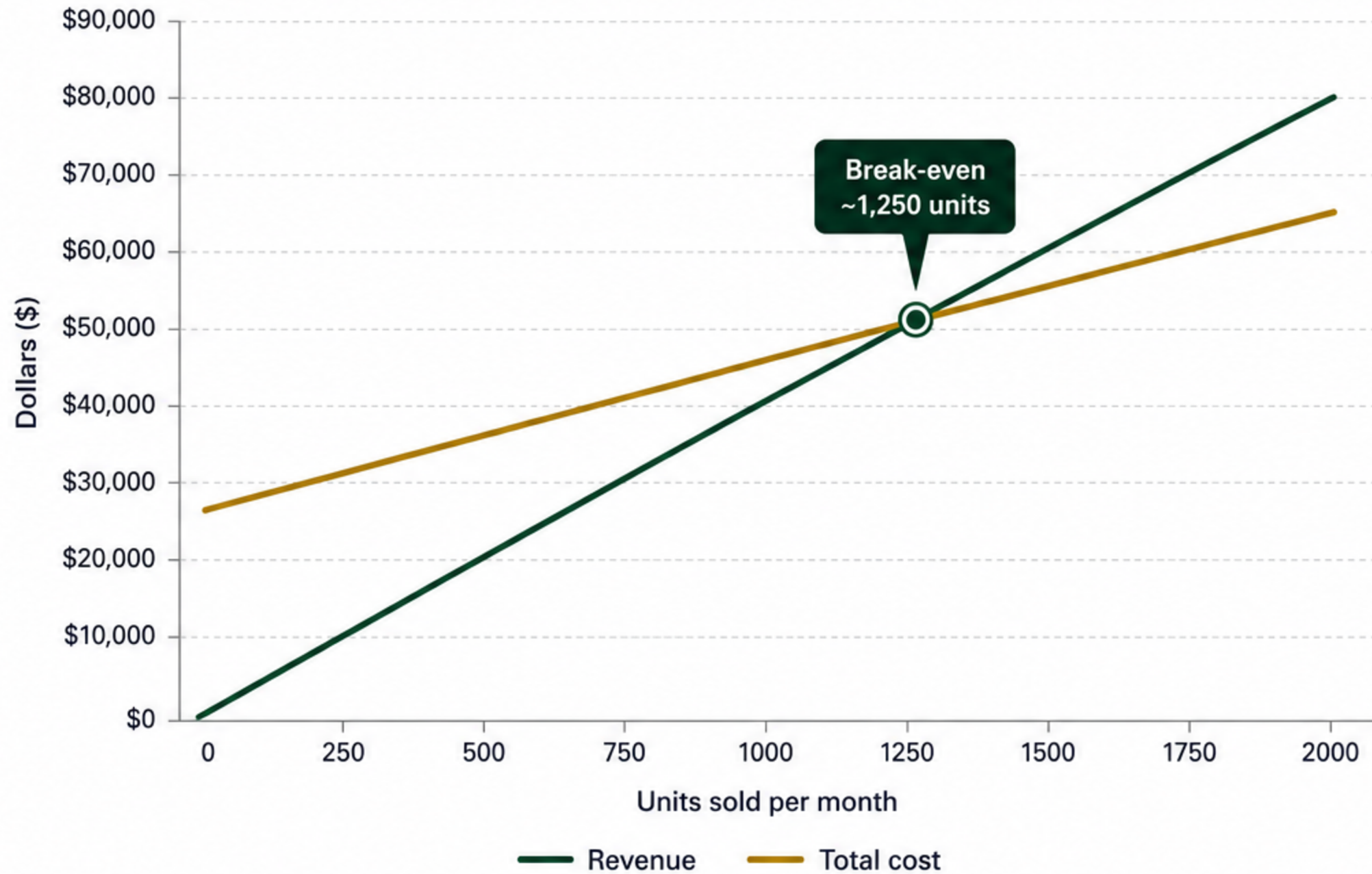
$\div \$20.80 \rightarrow 1,347$ units

Green Peak's break-even — about 100 units above
today's volume of roughly 1,250 a month



"Revenue is vanity, margin is sanity, break-even is survival."

Where Green Peak Starts Making Money



1,347 units

= \$53,880 in revenue — the crossover.
Today Green Peak sells about 1,250,
just below the line.



1,827 units

What it takes to bank the \$10,000
monthly profit goal



YOU ARE THE CEO Before any discount, hire, or lease — ask what it does to this crossover point.

Five Levers, Each With a Price

1



Price

Raise price,
cut discounting

Will demand hold?

2



Cost

Negotiate product &
packaging

Will quality suffer?

3



Mix

Push higher-margin
products

Does the brand shift?

4



Fixed

Delay hires,
renegotiate rent

Does capacity tighten?

5



Volume

Sell more units

Can operations keep up?

“

“Growth without margin discipline makes a business bigger and weaker at the same time.”

Project From Today's Reality — Not the Pitch Deck



ENTER TODAY

- Current revenue
- Product cost %
- Operating costs
- Cash in the bank



CHOOSE A PATH



Careful – 2%/mo



Base – 5%/mo



Stretch – 8%/mo



READ THE ANSWERS

- When are we profitable?
- Where is the cash low point?
- Can we afford the hire?
- How much for taxes?



“Hope is not a financial strategy. A projection is a mirror for your assumptions.”

Green Peak's Next Twelve Months

Turning today's assumptions into tomorrow's decisions.



GROWTH
+5% / month
Base scenario



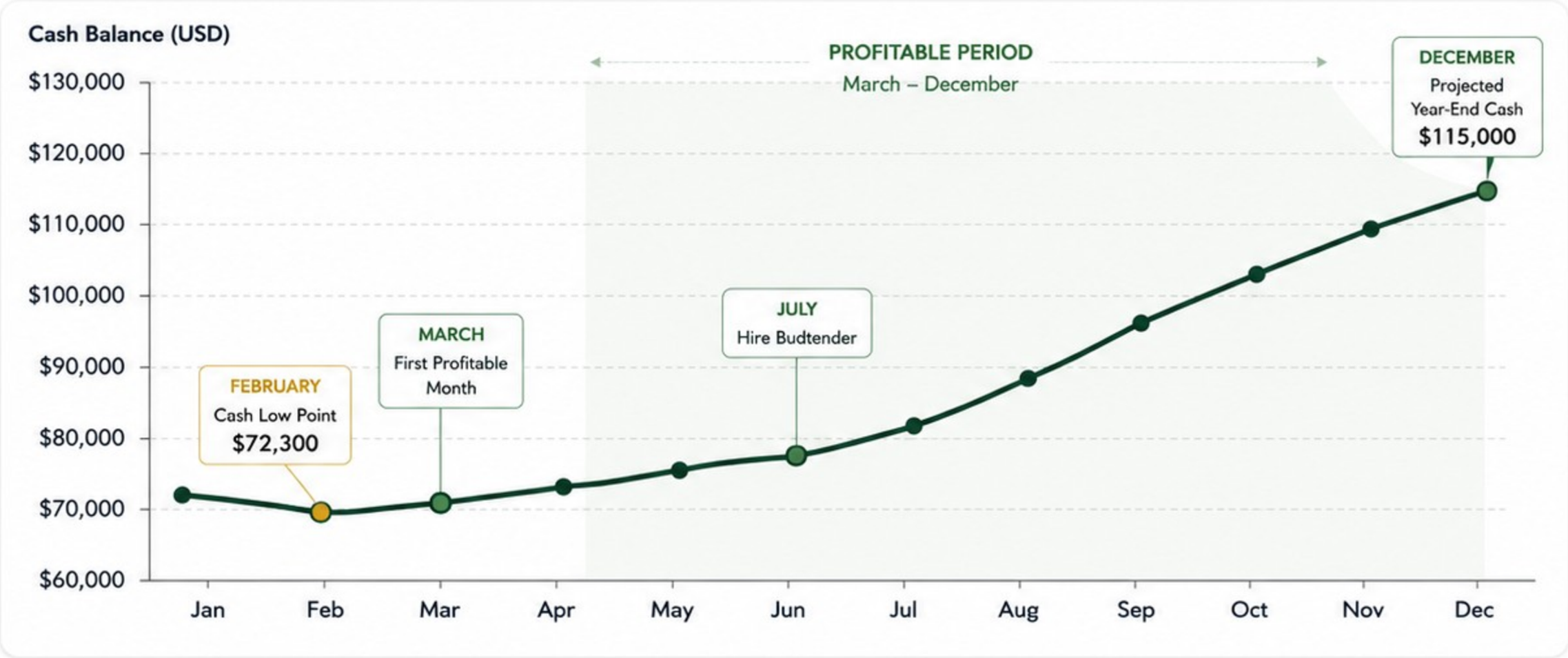
BREAK-EVEN
March
First profitable month



CASH LOW
February
Lowest projected cash



ENDING CASH
\$115K
Projected year-end cash



MARCH
First Profitable Month
Monthly profit turns positive.

FEBRUARY
Cash Low Point
Lowest projected cash balance: \$72,300

JULY
Growth Investment
Hire an additional budtender while maintaining positive cash flow.

ALL YEAR
Tax Discipline
Reserve 25% of monthly profit for tax savings.



EXECUTIVE INSIGHT: A projection isn't a prediction— it's a decision tool. Update it monthly so your business stays ahead of reality.



Can Green Peak afford another budtender?

\$4,000 a month, starting in July. You have the dashboard, the break-even line, and the projection. Ninety seconds — commit to an answer before we reveal the model's.

1

What number do you check first?

2

What would change your answer?

3

What is the risk of waiting six months?



The model's answer

Yes — cash stays positive all twelve months, even with the hire and the tax set-aside.



*The real win is not the yes.
It is deciding from evidence
instead of nerve.*

One Hour a Month, Every Month



Every review ends with three decisions



START

one thing to begin
or invest in



STOP

one thing to cut,
pause, or delay



WATCH

one number to track
closely next month



*"The business should not have to get
loud before you listen."*

Your 90-Day Rollout



Weeks 1–2

Map & fix the stack

Audit your systems and close the gaps.



Weeks 3–4

Get tax-ready

Set up tax habits and document as you go.



Monthly

Run the dashboard

Review numbers that drive decisions.



Before decisions

Check break-even

Know your threshold before you commit.



Weeks 5–6

Build the projection

Model the future and test your scenarios.

Then the capstone habit: the first CEO monthly review, run from your own toolkit — and repeated every month after.



*"Every dollar has a job.
The rhythm is how you make sure it shows up for work."*



Better numbers create better decisions. Better decisions create stronger businesses.

You are leaving with a **toolkit**, not a lecture:



Technology checkup



Tax readiness checklist



CEO dashboard



Break-even calculator



Projection model



Monthly review



Bring your business specific questions to one-on-one coaching — that is where we apply this to your numbers.

