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May. 25, 2022



Mention 4/20 to anyone who partakes in cannabis culture and they know *exactly* what you're referring to. 4/20 is more than just a day in April to cannabis users...it's a holiday nearly as big as Black Friday to traditional retailers.

And just like Black Friday, it requires advance planning. The earlier your cannabis

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In addition to all of the work you do to ensure compliance with federal and state reporting requirements, as an accounting pro you bring so much more to the table when it comes to planning 4/20 sales and events.

## **The Art of The Plan**

Truthfully, the biggest thing that you can do for your clients is to show them how to create a plan. Even though they don't need a detailed seed-to-sale plan of everything that's going to happen, creating a basic roadmap allows them to define their goals and stay focused on what needs to happen to achieve each benchmark.

You'll be able to show them how to factor in costs, sales goals, and build a budget for things like marketing, advertising, and even creating 4/20 specific offers or launching new products.

## **Understanding Growth**

The growth rate in the cannabis industry is astronomical. Between 2020 and 2021, sales revenue grew 10% year-over-year. Numbers from 2022 are still rolling in, but we can expect to see similar growth. 4/20 brings a significant spike in sales— as much as 30-50% — and your clients must account for increased demand.

## **Choosing Dates**

While 4/20 is always on the 20th of April, the reality is that if it falls on a Tuesday, you're not going to get the same big numbers as you would on a Saturday. You can help your client choose dates that will bring in the biggest ROI by looking at patterns in their day-to-day cash flow and reporting.

## **Inventory Management**

This is especially true in our post-pandemic supply chain woes when you never

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## Cash Management

I'm hoping that the MORE Act is passed soon and increases available banking options for the cannabis industry. However, I suspect it will always be cash-heavy—so you can help your cannabis clients create effective [cash handling procedures](#) to manage the money that's coming in the door. Better yet, you can show them how to scale processes for big events or sudden influxes — such as they'll see every year on and around 4/20.

## Forecasting for Strategic Growth

Last, but potentially most important is forecasting. You have access to powerful data that gives you valuable insights into what's working and where your clients need more support. By breaking this information down and sharing why it matters, your clients can make important business decisions about 4/20 and how they want to use the next holiday to leapfrog their growth. You can help them decide whether that means planning an epic event, launching new products, opening additional locations, or some combination thereof.

The bottom line is that I can't emphasize enough the importance of being a partner to your cannabis clients. And when you show them you're invested in their success, they'll continue to turn to you—and recommend you to their colleagues—for higher-level profit.

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Monique Swansen, founder and CEO of Automated Accounting Services and Accounting for Green outside of Boston helps visionary cannabis business owners automate and outsource their financial needs. In addition to serving the cannabis space, Monique consults with accounting businesses looking to work with cannabis clients. Learn more at [accountingforgreen.com](#) on LinkedIn:

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