Vendors roll ERP for medical marijuana dispensaries

IdWeeds.com and MJ Freeway are two platforms dispensaries can use to optimize their operations

By Chris Kanaracus, IDG News Service | CRM/ERP, ERP 1 comment

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You know an industry has reached critical mass when vendors start developing software for it, and that time has come for medical marijuana.

A number of companies have cropped up with inventory, point-of-sale and supply-chain-related software applications that they say can help dispensary operators cut through the rapidly growing industry's operational, logistical and legal haze.

"The thing is with this industry, a lot of these people aren't business-savvy," said Corbin Fields, founder and CEO of Clarity Software Solutions, a Colorado startup that is developing a Web-based system called idWeeds.
"They do a great job growing pot, but a lot of them are running their business on a piece of graph paper," he said.

Dispensaries have "an unbelievable number of unique requirements," and not just due to heavy and frequently changing government regulations, said Mark Goldfogel, founder of MJ Freeway, which is also based in Colorado. "The second reason is that [medical marijuana] itself is very, very unique. There's no other product that is sold by weight that evaporates, dehydrates and [turns into] shake," or small, dusty particles.

Goldfogel, who founded MJ Freeway along with two other "career computer geeks," is a medical marijuana patient himself. "I realized that there was no mechanism to track this stuff from seed to sale."

MJ Freeway, which is also Web-based, is built "100% from scratch" by necessity due to the industry's unique requirements, he said.

Some of Goldfogel's customers previously used no software at all, or else tools like Excel, he said. Others had purchased standard point-of-sale and inventory systems that were supposedly tweaked for medical marijuana, but proved inadequate in practice, he said. Companies "took a standard [system] and put pot leaves on it," he said.

Both Clarity and MJ Freeway have a rapidly growing body of customers to court.

Roughly 15 U.S. states have legalized medical marijuana, although laws pertaining to the substance vary in each. MJ Freeway is looking to develop state-specific systems as time goes on, Goldfogel said.

MJ Freeway is a bit further along than Clarity Software Solutions, which only launched idWeeds earlier this year and has yet to release an initial version of its software.

"The bulk of the project will be developed in open-source software to keep costs down," said Clarity CIO Dejay Noy, via e-mail. "In the first phase of the project everything will be created from scratch except the point-of-sale system. The majority of the software will be Java-based with a MySQL backend. It will be hosted on a CentOS based Linux system with Apache Tomcat that was provisioned through a third party cloud provider."

Beta testing is set to begin in May with a local dispensary whose owner has a wealth of technology experience, according to CEO Fields.

"We're trying to get it into them in the next few weeks so she can help us hammer out the bugs," he said. The company hopes for a general release by August.

Down the road, the company is planning to develop smart cards that can determine how much marijuana a given patient has been sold.

"That's a big problem for the dispensaries. If they get caught selling more to a person than [allowed], they get in trouble," he said.

Fields is also hoping to tackle a thorny supply-chain problem posed by Colorado's "70-30" law. Under the legislation, 70% of a dispensary's stock has to be grown by the facility, with up to 30% allowed to be brought in from other licensed dispensaries. The problem now is a lack of information about what other dispensaries have in stock and available for sale, Fields said.

Therefore, idWeeds is planning to create a "trading post" website for its customers. "People are driving around door to door now," he said. "It's really inefficient."

MJ Freeway has a similar system already in place, as its platform ties into the medical marijuana social network WeedMaps.
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