



Why Security Matters

March 8, 2017 by Rebecca Cicarelli and Matt Gifford [1 Comment](#)

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The demands of managing a cannabis business are endless. So much so, that attending to the minutia of security planning and implementation can seem like a chore. Is it *really* worth it? In short; yes—it is! We can attest that, when it comes to optimizing security, very few successful growers and dispensaries have regrets.

A comprehensive security plan supports the cannabis business in its bid to secure a license approval. A layered design is ideal, as it can reduce both external and internal threats; and proper implementation reaps numerous benefits in terms of employee and customer safety, business reputation, and profitability.

License Approvals

As previously asserted, next to a solid business plan, a well-defined security plan is the most essential component of success when it comes to licensing approvals. It is common knowledge that state assessments utilize a point system to determine who will secure a place on their list of licensed dispensaries or growers, and in almost all cases, security is one of the areas with the most points at stake. Want to get approval? What may have first appeared to be a chore becomes the challenge worth taking on. It is usually wise to “go big” on the application, as it is better to overestimate security needs than to underestimate them. Once approved, your plan can be adjusted to meet regulatory and budget requirements.

Employee Safety

Regrettably, violent crime against employees is not as uncommon as we would like. Most incidents have been prompted by an attempted robbery, and outcomes are sometimes dire. The fatal

shooting of an Aurora, CO security guard and the grisly murder of a California grower got the most press in 2016, but numerous other violent scenarios have played out over the last few years, with employees as victims.

Finding and keeping trustworthy, capable employees is often a hardship for both growers and cash-intensive dispensaries. Doing so, however, is key to managing diversion and ensuring success. Retaining valuable employees helps cannabis businesses (1) minimize risk and exposure and (2) reduce recruiting/training costs. Therefore, employee safety must be a priority, if for no other reason than encouraging retention. If good employees feel unsafe due to improper implementation of security measures, they are not likely to stay.

Customer Safety

Dispensary crimes are broadcast widely, but sometimes fuzzy on the details. Case in point; when a Los Angeles recreational dispensary incident in January results in a man killed on premises, officials were not quick to state whether the victim was an employee or a customer. Hearing things like this often leaves dispensary customers shaken, and rightly so. No business can thrive if customers feel even remotely unsafe on premises, so appropriate measures need to be evident. Still, this needs to be balanced with the overall customer experience. There is a happy middle-ground between a boutique and Fort Knox.

Business Reputation

The lack of appropriate security can hurt more than just people. Business reputation is at stake. Given a dispensary with a history and one without, it is only natural for customers to think more highly of the latter. Reputation snowballs in the community via relationships and discussion both face-to-face and online—and bad news travels. Furthermore, word on the street ultimately extends beyond consumer perception, impacting business relationships including financing and investors.

Business Profitability

It becomes clear that just one criminal incident will likely serve as a roadblock to customer and investor relationships. This means less money coming in on all fronts; not an ideal scenario for any enterprise. Lastly, the issue of diversion remains a significant threat to the profitability of cannabis operations. The risks of inadequate security, therefore, are in the end a risk to business viability.

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Rebecca Cicarelli, Marketing and Business Development Director, CustomVault has an MBA from New York University and an extensive background in consumer marketing. Cicarelli has been a member of the CustomVault team since 2010. She applies her experience in new products and market development to the security business and specifically to the opportunity in medical marijuana. Matt Gifford, Director, CustomVault is a graduate of Loyola University Maryland, and a member of the CustomVault team since 1996, Gifford brings a consultative approach to the development of customized vault and security solutions for customers in the marijuana and pharmaceutical industries. Well-versed in applicable regulations; both federal and state, with extensive experience in security plan design, he partners with customers to ensure necessary approvals.