



# WAVTEQ

**Using Scenario Analysis as an Effective  
Economic Development Strategy**

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## Scenario: Cannabis – Disruption at its finest

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“Global alcohol giant Constellation Brands will invest **\$5 billion** in Canopy Growth Corp. -- **the largest strategic investment in the cannabis space to date** -- which the marijuana producer says will help it scale up and fend off competition from established players in big pharma and booze who are hungrily eyeing the pot industry.”

“The investment follows a deal last year that saw the Corona-beer maker acquire a nearly 10% stake in Canopy for **\$245 million** and included collaboration on the development of cannabis-based drinks.”

“Earlier this month, Molson Coors Canada entered into a joint venture with the Hydropothecary Corp. to develop non-alcoholic cannabis-infused products. As well, Heineken-owned Lagunitas Brewing Co. recently introduced a cannabis-infused hoppy sparkling water in California.”

Source: <https://www.ctvnews.ca/business/constellation-brands-investing-5b-more-into-marijuana-firm-canopy-growth-1.4053463>

# Observed Trends within the Cannabis Industry

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What did we witness?

**Demand & supply** for medical & now recreational marijuana increasing globally

**Controversial product** generating an abundance of 'media buzz'

**Legal** for medical & recreational use in various US states

**Knowledge & awareness** of Cannabis/Marijuana increasing

Canada to become the **2nd country in the world** to legalize marijuana for recreational use

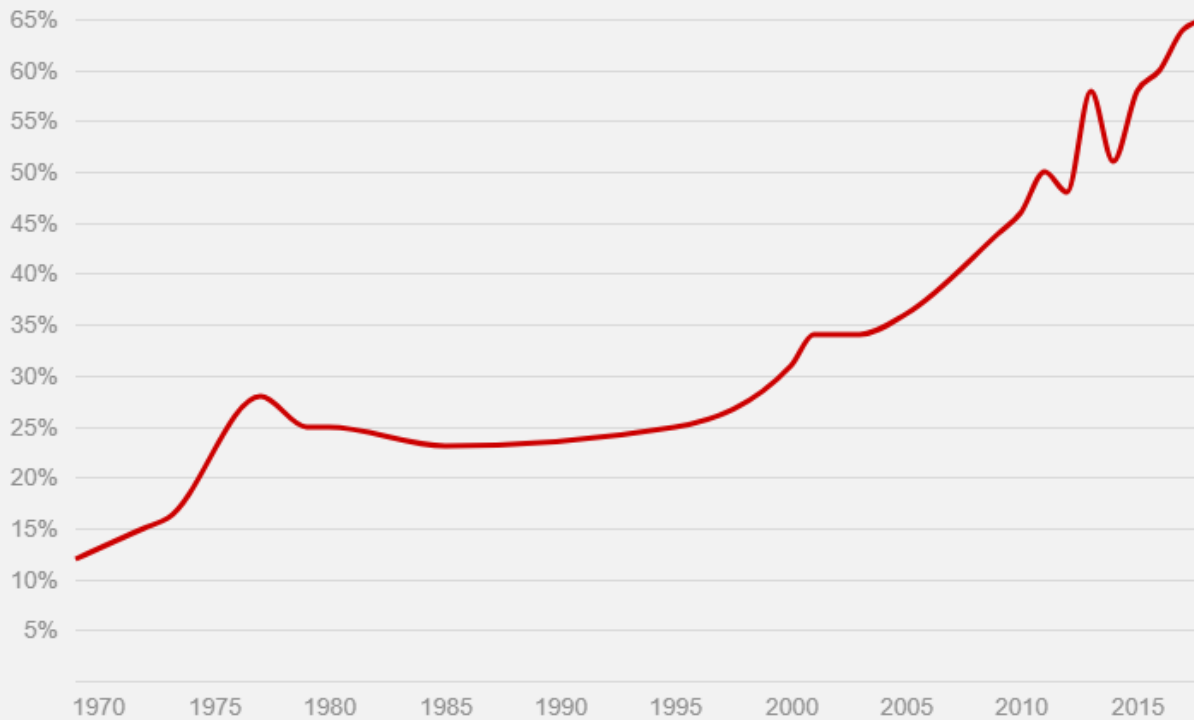
Major investments coming from '**Big Pharma**' and now alcohol companies



# Observed Trends within the Cannabis Industry

## Support for legalization of marijuana in the United States

Nearly two in three Americans, including majorities of both Democrats and Republicans, say the drug should be legal.



Source: Gallup

**\$6.6 Billion**  
US Industry  
(Medical and  
Recreational)

Source: <https://www.cnn.com/2018/01/04/politics/marijuana-legalization-by-the-numbers/index.html>

**\$4.2-12 Billion**  
Canadian Industry  
(Recreational)

Source: <https://business.financialpost.com/business-trends/crowded-cannabis-market-anticipates-recreational-legalization>

Source: <https://www.cnn.com/2018/01/04/politics/marijuana-legalization-by-the-numbers/index.html>

# Observed Trends outside of the Cannabis Industry



**Beer**  
sales **falling** globally



**Tobacco**  
**decline** in tobacco  
product sales - Major tobacco  
companies changing business  
models



**Renewable Energy**  
**increasing** demand & policies



**Ethnic & Culture**  
diversity **increasing**



**Consumer**  
**rise** of the 'Conscious Consumer'



**Organic Foods**  
**rising** demand for natural  
& organic food



**Technology**  
**explosion** of AI, IoT, Blockchain,  
AR, VR, Autonomous & Robotics  
technologies



**Farming**  
urban & indoor farming **taking off**



**Online Shopping**  
**surge** in online shopping  
e.g. Amazon



# Opportunity = Forecast & Evaluate (Current Market)

STEP 1

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**Explosion of cannabis-based or infused products** across the edible/consumable spectrum, especially with health foods e.g. health drinks and protein powders.

**Will this demand increase? Let's say Yes.** Growing appetite for cannabis as whole and increasingly conscious buyers. Government already supporting heavily in the medical use.

Many producers already taking advantage of **renewable energy**, primarily solar.

**Will this demand increase? Let's say Yes.** Cost of solar panels and energy generation are decreasing, allows for remote-on-site energy generation and storage. And cleaner!

**Retail** limited to a few dispensaries.

**Will retail demand increase? Let's say Yes.** Watch for the emergence of brands, new forms of distribution, grocery stores, franchises & stand-alone stores e.g. chocolate stores/brands Online? Yes. Apps? Yes. Big retailers e.g. Amazon?

**Equipment and supplies.**

**Will demand increase? Let's say Yes.** Essentials may grow e.g. machinery, lighting systems.

# Opportunity = Forecast & Evaluate (Future Market)

STEP 1

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**Alcohol companies infusing cannabis into non-alcoholic drinks**, but what about the packaging?  
Appetite to reduce carbon footprint, may start looking at hemp (fabric).

Cannabis popularity could pull in the **apparel industry** e.g. hemp clothing.

Home production for recreation use could sprout up using **Blockchain** = share energy, sell direct

Home consumption for non-prescribed use e.g. sleep aids, stress relief, social etc. **Consumers could use an app with AR** to select and order products e.g. electronics.

Many producers employing **renewable energy**, primarily solar, could that change?

Growers may look to automate production process through **AI, IoT and robotics**.

Mainstream cannabis **conferences and tradeshow**s could take flight.

Cannabis could be infused into a variety of other products for numerous reasons.

# Opportunity = Forecast & Plan (How to Capitalize)

STEP 2

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**Plan your success!** Based on your forecasts:

Analyze the **supply chain of cannabis growers**, companies invested in cannabis, and/or companies that can benefit from investing in cannabis want strategic proximity to growers.

Identify the products/services required, who are their **suppliers/resources/infrastructure** they need?



Evaluate your local assets to confirm what you can **exploit** and/or what you can **develop**.

Align gaps in **supply or future demand** to your available/potential assets = **Opportunity**.



Build a Cannabis or other sector **Targeting Strategy**.

Update or create **Value Propositions** that are sector-centric.



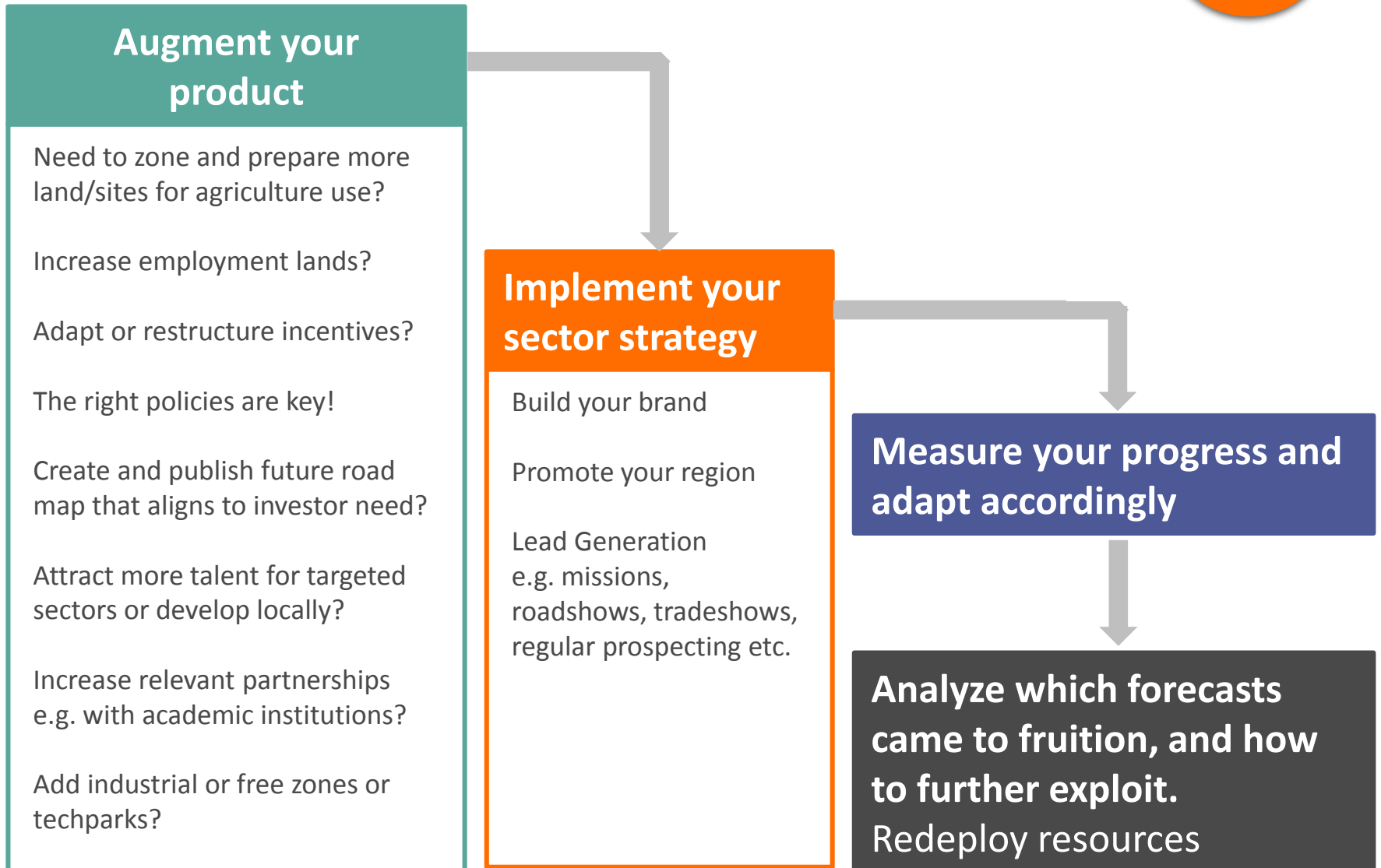
Develop an **implementation plan** and define how it will be measured.



# Opportunity = Implementation (Attack Mode)

STEP 3

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# Contact Details



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