

# POTENCY TESTER CREATES EXTRA REVENUE FOR RETAILER



## OPPORTUNITY

- ✓ Ancillary revenue from potency testing services

## RESULTS

- ✓ \$75 per test | 40 tests per month
- ✓ 12-week equipment payoff

## POTENCY TESTING BENEFITS

- ✓ Improved supply chain and purchasing
- ✓ Harvest optimization

## A REVENUE OPPORTUNITY

- ✓ Retailers
- ✓ Wholesalers
- ✓ Large and small cultivators
- ✓ Anyone in the cannabis supply chain

Cannabis entrepreneurs are always on the hunt for new ways to improve the medicines they love — and generate some fresh revenue in the process. So when Damon Giesbrecht realized how much confusion surrounds cannabis’s potency, he saw a business opportunity.

### A Quick-and-Easy Testing Service

“The dude-on-the-couch method of quality control doesn’t work anymore,” says Giesbrecht. “There’s no real way to figure out what the THC and CBD levels are without testing.”

As a co-owner of Cara’s Confidential, Giesbrecht provides indoor growing equipment to the cannabis community of his hometown in Saskatchewan, Canada. Now, he provides quality assurance testing too.

“I was very impressed with how quickly interest gained in our testing service,” says Giesbrecht. “Our testing unit paid for itself in three months.”

### A \$75 Potency Test Proves Priceless

Retailers use Giesbrecht’s service to negotiate better wholesale prices and to better understand what they’re buying. Because testing saves them tens of thousands of dollars, they’re happy to pay Giesbrecht’s fees.

“Most of the retailers that ended up with licenses have little to no experience with cannabis,” says Giesbrecht. “What we’ve been able to do for those guys is provide them a quick learning curve to effectively negotiate what the pricing should be.”

Home growers and First Nations groups also use Giesbrecht’s testing service to understand the THC and CBD ratios of their medicinal cultivars. The demand from these groups has been surprisingly high. Because Giesbrecht is certified by the Trichome Institute, Cara’s Confidential has a lot of credibility. In addition to potency testing, he’s able to visually assess pest damage



GEMMACERT

- ✓ Portable
- ✓ Easy 2-minute test
- ✓ Does not destroy sample!
- ✓ Low purchase price and overhead

and nutrient deficiency, and deduce pesticide use based on the evidence of biological controls.

### Why GemmaCert?

After considering several potency testers, Giesbrecht decided on the GemmaCert. Its accuracy, ease of use, and quick, non-destructive testing procedure were the deciding factors. The GemmaCert uses near-infrared spectrometry and data analytics to assess THC and CBD. Then, it displays the results through an app. Like an HPLC, GemmaCert estimates potency by comparing measured characteristics to a reference. For this purpose, GemmaCert has the world's largest and most comprehensive database of cannabis flower spectra accumulated since 2016. This database is growing daily and already includes thousands of samples.

### How to Market a Testing Service

For entrepreneurs already operating in the cannabis space, starting a testing service is simple and easy. Opportunities abound if

you do business with cultivators, wholesalers, retailers, extraction companies, or home growers. Giesbrecht has found a lot of business through word of mouth throughout these markets. Instagram has been effective too — and free. Cara's Confidential already had a small social media following; occasional mentions of the GemmaCert tester were all it took to drive significant business. Giesbrecht is able to offer mail order services — in addition to testing at his location and his customers facilities — thus expanding the reach of his business.

### Small Testing Goes Big

Potency variance is a systemic problem that traditional laboratories struggle to solve. THC and CBD levels vary between cultivars, between crops, and between flowers from the same plant. Regulators have yet to awaken to this problem and still rely on ineffective laboratory testing. Though laboratory analysis is accurate, it's too slow and too



expensive to be a good fit for potency-variable crops.

When regulators test a single flower from a crop, it does not necessarily represent the potency of the other flowers. Quickly testing multiple flowers gives a more representative result, even if the accuracy of each test is slightly lower.

“Eventually, all the provincial regulators will be using something like the GemmaCert,” says Giesbrecht. “If you do the three tests, you're as accurate as a [high-performance liquid chromatography] test in a laboratory, if not more accurate.”

“This is a turnkey business model with almost no overhead”

Giesbrecht recommends getting a certification through the Trichome Institute, purchasing a GemmaCert, and offering testing services for premium fees. “Most likely, right now, you could set your own price,” says Giesbrecht. “There really isn't anybody doing a testing service right now.”

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