



## Expansion Strategies for a Growing Start-up

Everybody needs a way to relax. For some, it's alcohol, while for others, it could just be a day at the beach or even some quality time with friends. Cannabis is one of these options. It is something that has been used for centuries. The original use dates back to 2800 BC<sup>1</sup> when a Chinese emperor named Shen Nung had it on his list of Pharmacopoeia. Therapeutic indications of Cannabis are mentioned in the ancient texts of the Assyrians, Greeks, Romans, and Indian Hindus. There is a preparation known as Bhang<sup>2</sup> in India, a drink that, in its original form, was derived from Cannabis leaves dating back to 1000 BC. Then why is there such a controversy over it in modern times? The first time that people in the US started looking at Marijuana in a negative way was during the Marijuana menace of the 1910s<sup>3</sup>. During the great depression, over fears of excessive use of Marijuana due to unemployment, 29 states had outlawed Marijuana, and then by 1937, Congress passed a bill banning it nationwide. It had enormous potential for abuse and stayed banned till 1996<sup>4</sup> when California became the first state to legalize it for medical use. Subsequently, in 2014, Colorado became the first state to legalize weed for recreational use.

Ten years on, the Cannabis industry is thriving and generating employment for millions of Americans. The American Cannabis industry is estimated to be around \$29.6 billion in 2023<sup>5</sup> and is expected only to grow further as it is legalized across states. Who would have thought that something once considered a 'menace' could now be one of America's favorite ways to relax. The United States of America is the world's biggest Cannabis market. It comprises \$29.6 billion of the Worldwide market of \$36.7 billion. It is estimated that by 2027, the American market will be worth \$45 billion itself<sup>5</sup>. As of Feb 2024, Cannabis is legal in 24 states and the District of Columbia for

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<sup>1</sup> [https://www.sydney.edu.au/lambert/medicinal-cannabis/history-of-cannabis.html#:~:text=The%20use%20of%20cannabis%20originated,father%20of%20Chinese%20medicine\)%20pharmacopoeia](https://www.sydney.edu.au/lambert/medicinal-cannabis/history-of-cannabis.html#:~:text=The%20use%20of%20cannabis%20originated,father%20of%20Chinese%20medicine)%20pharmacopoeia) (accessed February / 2024)

<sup>2</sup> <https://www.vice.com/en/article/kbx94a/httpmunchies-vice-comarticlesthe-bhang-lassi-is-how-hindus-drink-themselves-high-for-shiva> (accessed February / 2024)

<sup>3</sup> <https://libguides.law.uga.edu/c.php?g=522835&p=3575350>

<sup>4</sup> <https://rockinst.org/intheweeds/#:~:text=In%201996%2C%20California%20became%20the,legalize%20recreationa%20marijuana%20in%202014.> (accessed February / 2024)

<sup>5</sup> <https://www.forbes.com/sites/irisdorbjan/2023/06/08/us-legal-cannabis-market-sales-to-soar-to-45-billion-in-2027-says-top-researcher/?sh=3ca6929e2ec3> (accessed February / 2024)

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*This case was initially researched by H. Gray Karpel, and then entirely written by Mr. Varun Shah, all under the supervision of Professor Gregory Stoller as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.*

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recreational use. It is also permitted for medicinal use in 37 states and the District of Columbia<sup>6</sup>. There are many forms of products, i.e., Vaporizers, Concentrates, Edibles, Pre-rolled, or even the actual flower itself.

## **The Executive team**

Born in Hartford, MA, and a Questrom alumnus, [Andrew Gold](#) has been associated with the cannabis industry for a while. He started a nonprofit in 2012 when Cannabis became legal for medical use in the state of Massachusetts. This was in the hope of getting a license for selling medical Marijuana. He received that in 2014 and has been involved in the industry since. After that, he became a consultant in the industry, helping companies perform competitive analysis and get through regulatory hoops. As Andrew explains:

*“My fascination is a brand-new industry that is getting started for the first time, where it is new for every stakeholder involved in the value chain.”*

Andrew has been in Boston for the last ten years, and the opportunity to be the CEO of Blackstone Valley Cannabis (hereafter referred to as BVC) came through one of his consulting clients, wherein he was given the chance to build a company from the ground up which he has taken! To run the company, you need a reliable team of humans, and that’s where Chris came in.

[Chris Rees](#) is from Western NY and has a background in operations and engineering. He also holds a bachelor’s in mechanical engineering. He met Andrew at Questrom; both did their MBA together at Questrom as PEMBAs. He also has experience in construction project management, which he initially worked on at BVC, constructing the facility in Uxbridge, MA. After learning more about the space and working at BVC, he decided to come on full-time, and now Chris and Andrew run the show at BVC. Their skill sets are complimentary, with Chris having more of an operational background and Andrew knowing much more about the cannabis industry through his previous experience<sup>7</sup>.

## **The company**

Blackstone Valley Cannabis (BVC) was founded in 2020 by a single owner. The current CEO, Andrew Gold, joined in 2021; Chris Rees, the COO, joined as a consultant in late 2021 and became full-time in 2022. Currently, BVC has one retail facility, which is located in Uxbridge, MA, near the Rhode Island and Connecticut borders. As of March 2024, they have 17 full time employees, 5 part time employees and 3 executive level managers across cultivation, manufacturing, and retail. In July 2020, BVC began retrofitting an existing 24,000 square foot warehouse to accommodate the retail, manufacturing and cultivation spaced. See a 1-minute video with site pictures [on this link](#). This facility includes growing rooms, extraction, cooking, and packaging. They hope to develop and manufacture their own products to create a local craft product. This aligns with their mission statement: to offer an experience that combines the soul of local craftsmanship with the

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<sup>6</sup> <https://disa.com/marijuana-legality-by-state> (accessed February / 2024)

<sup>7</sup> Conversation with Chris Rees and Andrew Gold (January 2023)

power of optimism. The location of their facility in Uxbridge gives them reasonable proximity to Worcester and Providence. It is around an hour away from Boston and Springfield as well<sup>8</sup>.

They build their own grow facility because other, larger manufacturing companies focus on quantity over quality. BVC, on the other hand, has focused its efforts on quality. They want to educate their consumers about this as they sell. For example, their store sells nothing older than 120 days from harvest, and they have used the highest-caliber machines in their facilities<sup>9</sup>. They offer a variety of products, including pre-rolls, edibles, vaporizers, concentrates, flowers, Tinctures, and Topicals. These products are currently being purchased wholesale from other growers and manufacturers until they are able to produce their own. Their website includes an educational section that tries to help potential customers understand what Cannabis is and how one should consume it. As Andrew comments:

*“We are trying to be a craft brewer if you compare this to beer. We aren’t trying to be the Bud Light beer, but we are trying to be the treehouse for this industry.”*

In terms of business structure, they believe the competitive advantage in this industry is staying vertically integrated, which also gives them the capability to process B2B orders. Originally, they were only a retailer in this space as they did not have a manufacturing and cultivation license for cannabis in the Commonwealth of Massachusetts. As of March 2024, they have obtained their license to manufacture and have been offering such services to other companies. They have also made significant progress in obtaining their license to grow, which is anticipated to be granted by the end of Q2, 2024. This would help them go forward and get a medicinal permit in the future, as to be a medicinal Marijuana supplier, one must be fully vertically integrated.

The executive team believes what separates BVC from the rest is the quality of its product. As the industry matured and more money came into the recreational cannabis space, they felt that companies focused more on mass marketing, celebrity partnerships, and attractive branding but did not concentrate on the production and quality of their product. Therein lies a niche for the cannabis enthusiast that BVC seeks to exploit and differentiate itself through. There is a space to build a predictable and reliable product in this industry for them as some consumers branded the quality of Massachusetts weed as “Garbage<sup>10</sup>.”

In their facility at Uxbridge, they intend to produce Marijuana internally inside the factory in a controlled environment. They have the specifications for walls, mechanical systems, plumbing, and drainage to create a high-quality product. They are committed to being a quality rather than a quantity producer, which is emphasized by their facility, which has a capacity of 4,000 sq feet of canopy or ‘grow space’. In contrast, the state allows a space of 100,000 square feet. They also can cultivate outdoors at their facility should the need arise. The facility is structured as follows:

- A. **Cultivation:** Cultivation has 5 rooms each related to the plant life cycle. There is a mother room where large plants are kept alive to take clippings from. The clippings are

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<sup>8</sup> Blackstone Valley Cannabis, <https://bvcannabis.com/about/>, accessed 31 March 2023.

<sup>9</sup> Conversation with Chris Rees, January 17, 2023.

<sup>10</sup> <https://www.bostonglobe.com/2022/04/07/marijuana/consumers-say-massachusetts-weed-stinks-not-good-way/> (accessed February / 2024)

then taken to the clone room where they are kept to take root. After they are rooted, they are taken to the veg room where these rooted clones begin the full growth process and lastly, there are two flower rooms where the large plants from the veg room are transferred to complete the process.

B. **Manufacturing:** This department consists of extraction where the cannabis oil is extracted from plant material to be used in concentrates and edibles, a kitchen where edibles are created and production/packaging where the flower is packaged, joints are rolled and other products are packaged as finished goods.

C. **Retail:** This is currently their only storefront, serving cannabis products to the community.

All these activities happen at the Uxbridge facility, which is owned, not rented. As Andrew explains:

*“We are looking to put out good quality cannabis that is fresh and entices customers to come again.”*

An out-of-state investor, a former consulting client of the current CEO, Andrew Gold, owns the company. They purchased the land and licenses to add to their portfolio of other businesses, such as hospitality, restaurants, hotels, and real estate. The owner wants this company to become a part of the Cannabis community and is not thinking of an exit.

## Industry

As per Andrew, the cannabis industry is in its saturation phase; they believe there will be consolidation within the market over the next few years, primarily in the Brick-and-Mortar space, wherein there are standalone stores. Hence, they wanted to position themselves in this way, build a reliable brand that customers could trust, and educate new potential customers about cannabis and the best ways to use it.

The law states that only cannabis produced in a particular state can be sold there; it does not allow for inter-state transfer of cannabis to be sold, and hence, all the cannabis produced at BVCs facilities can only be sold within Massachusetts. The state has a robust system to police this.

There are 11<sup>11</sup> different types of licenses that are permitted in Massachusetts, but BVC is concerned with only 3, i.e., Manufacturing, Retail and Cultivation (Grow). These licenses have to be obtained from the Massachusetts Cannabis Control Commission. While the license is issued for the state, there is a requirement for the applicant to be in compliance with local municipalities, and hence a company would have to satisfy local municipal requirements in order to operate there. There could be regulations related to where a store/facility could be located or on the number of stores/facilities in an area.

Even though it may be in the saturation phase as of now, the recreational cannabis market has only been around for about ten years; it has only just entered the saturation phase. While the landscape

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<sup>11</sup> [https://www.leaflegalpc.com/massachusetts-recreational-marijuana-establishment-licensing#:~:text=There%20are%20eleven%20types%20of,%3B%20\(10\)%20Transporter%3B%20](https://www.leaflegalpc.com/massachusetts-recreational-marijuana-establishment-licensing#:~:text=There%20are%20eleven%20types%20of,%3B%20(10)%20Transporter%3B%20)

is entirely different from 2018, it has only been in the saturation phase for 2 or 3 years, which means it could still evolve in a way other than it is now.

Cannabis products are divided into four significant groups<sup>12</sup>:

1. **Flower:** First is the cannabis flower, which is the ingestible part of the cannabis plant and is the most popular way to consume. It is cultivated, harvested, dried, and cured as part of the preparation process before reaching the end consumer. Due to its popularity, it also represents the most significant component of the U.S. legal market.
2. **Concentrates, Cartridges, and Extracts:** Cannabis concentrates are a growing category that has taken the market by storm in recent years. They come in various forms, including raw concentrates, cartridges, and extracts. Preparing them involves removing impurities from the plant, leaving only the desired compounds, such as cannabinoids and terpenes. This highly concentrated form of cannabis results in THC levels of **80-90%**, compared to the 10-20% range most commonly found in dry herb flowers. The appeals associated with concentrates include a higher dose, which results in more potent effects, plus a more discrete experience, given they have little to no smell.
3. **Edibles:** Next are edibles, where the THC is metabolized by the liver and consumed through infused food and drinks. This leads to a different experience relative to inhaling. For example, the euphoric or psychoactive effects typically last much longer and can take 1-2 hours to kick in. As of late, waves of investments and acquisitions are occurring targeting cannabis-infused beverages. A key driver of growth comes from the health-conscious consumer who may want to avoid the smoking process altogether.
4. **Topicals and other products:** Last are topicals and other products. Topicals are CBD-infused, non-psychoactive products like lotions, balms, and oils. These are gaining notoriety for their wellness properties, including relieving pain, soreness, and inflammation. The topical market appeals to those not interested in psychoactive effects and is trendy amongst women and pet owners. Other products include papers, pipes, batteries, and all other accessories, providing notable revenues and opportunities.

Flower accounts for 43,4% of the market, with pre-rolls at 8.8%. This indicates that flower-based products account for over 50% of the industry. Cartridges and concentrates comprise 29% of the market, with edibles around 9%, and the remaining 9% of the market is other products<sup>13</sup>.

There is a seasonal element to the consumption of cannabis as well. In general, flower sales pick up in the hotter months, and the colder months see their sales wane relative to the other types of products. This is because flowers tend to be primarily consumed outdoors. This would be a consideration for a state like Massachusetts, where winters are harsh.

BVC sells all of these products. Currently, they are buying all these products wholesale from other growers and manufacturers in the state. They then sell these products at their dispensary for an average margin of 50%. If sold wholesale, then the margin is estimated to be 40%. These margins

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<sup>12</sup> <https://www.visualcapitalist.com/sp/every-cannabis-product-in-one-graphic/> (accessed February / 2024)

<sup>13</sup> <https://www.visualcapitalist.com/sp/every-cannabis-product-in-one-graphic/> (accessed February / 2024)

aren't expected to change over the next couple of years. The whole suite of product offerings can be found on their [website](#).

Recently, there has been a debate over what is safer, Edibles or Smoking cannabis products? The answer is complicated, it depends on one's usage. Smoking a joint produces an instant high which eventually fades within a few hours. The respiratory risks of smoking joints are well known though, as the cannabis smoke contains many of the same toxic chemicals and carcinogens as cigarette smoke. Although, cannabis in edibles take their time travelling through the gastrointestinal tract. It can take anywhere between 30 minutes and several hours for users to feel the effects. It can depend on the contents of your stomach<sup>14</sup>. Hence, users could end up nibbling an extra bite of an edible to feel more of an effect and eventually end up way too high when the drug finally kicks in.

The American cannabis market is the largest in the world. It comprises 80% of the global cannabis market. It stood at \$29.6 billion in 2023 compared with a \$36.7 billion global market. The American cannabis market is poised to reach \$45 billion by 2027<sup>15</sup>. It is currently legal for recreational use in 24 states and the District of Columbia<sup>16</sup>. There are 12,156 dispensaries across the US as of Jan 1, 2024<sup>17</sup>. This number is down from September 2023, where it was 12,572. Of these dispensaries, Oklahoma has the highest at 2,387 dispensaries<sup>15</sup>. The market is very concentrated, with more than 53% of the dispensaries in four states, i.e., Oklahoma, California, Colorado, Michigan, and Oregon. Massachusetts has 436 dispensaries<sup>15</sup>.

At the moment, there are just under 40 listed cannabis stocks on the stock exchange in the United States,<sup>18</sup> most of which sell both recreational and medical Marijuana.

State	Dispenseries	Population	People/Dispensary
Oklahoma	2387	4,053,824	1,698.29
California	1244	39,040,616	31,383.13
Colorado	1023	5,877,610	5,745.46
Michigan	994	10,037,261	10,097.85
Oregon	824	4,239,379	5,144.88
Massachusetts	436	7,001,399	16,058.25

*Figure 1: Comparative dispensaries vs population (Selected states)<sup>19</sup>*

<sup>14</sup> <https://www.nytimes.com/2024/01/29/well/cannabis-weed-edibles-smoking.html> (accessed March / 2024)

<sup>15</sup> <https://www.forbes.com/sites/irisdorbian/2023/06/08/us-legal-cannabis-market-sales-to-soar-to-45-billion-in-2027-says-top-researcher/?sh=3ca6929e2ec3> (accessed February / 2024)

<sup>16</sup> <https://disa.com/marijuana-legality-by-state> (accessed February / 2024)

<sup>17</sup> <https://www.dispenseapp.com/blog/cannabis-dispensaries-by-state#:~:text=There%20are%2012%2C156%20dispensaries%20in,the%20least%20dispensaries%20at%203> (accessed February / 2024)

<sup>18</sup> <https://www.barchart.com/investing-ideas/cannabis/stocks?orderBy=percentChange5d&orderDir=desc> (accessed February / 2024)

<sup>19</sup> Population data from: <https://www.census.gov/quickfacts/fact/table/MA,OR,MI,CO,CA,OK/PST045222>. (accessed February / 2024)

As shown in Figure 1 above, the number of dispensary densities is relatively low for Massachusetts compared to the states with the highest number of dispensaries. This means that there is room to grow within Massachusetts for this market.

Boston is said to be the 12<sup>th</sup> highest weed-consuming city in the US, with a total consumption of 3.6 metric tons. The legal marijuana industry in Massachusetts is showing signs of maturing. In five years since the first recreational dispensary in the state opened in Northampton in 2018, gross sales of non-medical marijuana in Massachusetts hit \$4 billion. In the first five months of 2023, gross sales totaled \$600 million.

But prices have plummeted. An ounce of marijuana flower sells for \$171, according to the state’s Cannabis Control Commission. As recently as two years ago, the price was \$400 per ounce. With some of the best dispensaries in the country, Boston ranks among the cities that consume the most weed in America<sup>20</sup>.

This is marginal compared to New York, which consumes 62.3 metric tons of weed as of 2023<sup>21</sup>.

City	Consumption (Metric Tons)	Population	Consumption/resident (grams)	Avg price per gram
New York	62.3	8,335,897	7.47	\$9.51
Los Angeles	35	3,822,238	9.16	\$13.18
Chicago	24.9	2,665,039	9.34	\$22.00
Phoenix	11.4	1,644,409	6.93	\$10-20
Philadelphia	10.6	1,567,258	6.76	\$11.30
Boston	3.6	650,706	5.53	\$7.76

**Figure 2:** Consumption per resident for major cities<sup>22</sup>

As we can see from **Figure 2** above, from metro cities, Boston has the lowest consumption of marijuana per resident despite having the lowest price per gram on average.

When we look at the type of customers that buy cannabis, we can see that Millennials make up the majority of the customers.

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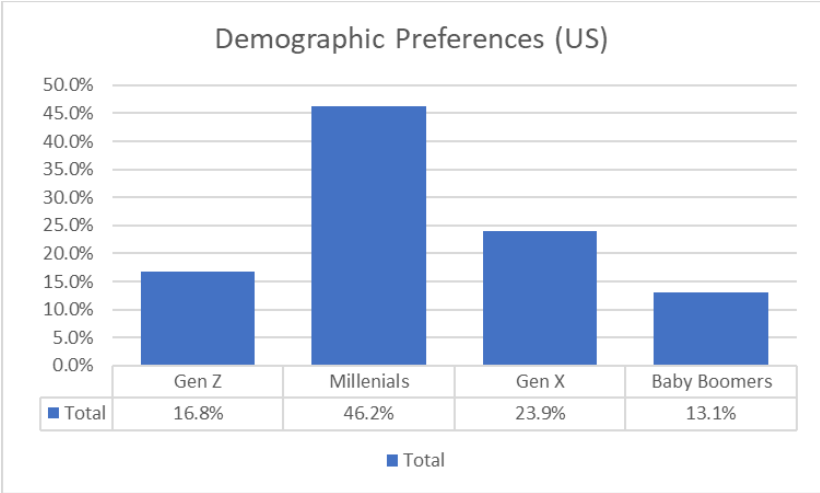
Dispensary data from: <https://www.dispenseapp.com/blog/cannabis-dispensaries-by-state#:~:text=There%20are%2012%2C156%20dispensaries%20in,the%20least%20dispensaries%20at%203> (accessed February / 2024)

<sup>20</sup> <https://finance.yahoo.com/news/15-u-cities-highest-weed-140410254.html> (accessed February / 2024)

<sup>21</sup> <https://www.insidermonkey.com/blog/5-u-s-cities-with-the-highest-weed-consumption-in-2023-1177790/5/> (accessed February / 2024)

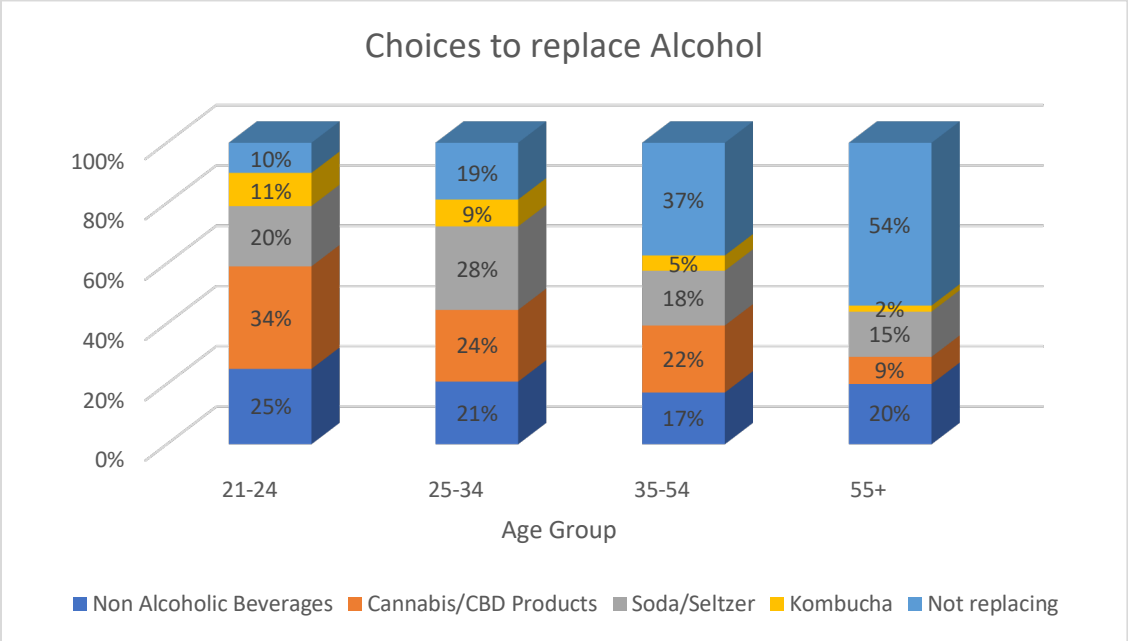
<sup>22</sup>Population: <https://www.census.gov/quickfacts/fact/table/bostoncitymassachusetts,philadelphiacitypennsylvania,phoenixcityarizona,chicagocityillinois,losangelescicalifornia,newyorkcitynewyork/PST045222> (accessed February / 2024)

Consumption data from: <https://finance.yahoo.com/news/15-u-cities-highest-weed-140410254.html> (accessed March / 2024)



**Figure 3: Marijuana Demographic Preferences<sup>23</sup>**

As we can see from **Figure 3** above, Gen Z and Millennials make up 63% of the cannabis users in the United States. Cannabis is a form of relaxation, which means that its competition would also include other indulgences such as Alcohol. A survey from civicscience<sup>20</sup> showed what people of different age groups would replace alcohol with.



**Figure 4: Replacements for Alcohol among different age groups<sup>24</sup>**

As we can see in **Figure 4**, the primary age group looking to switch to Cannabis is younger individuals.

<sup>23</sup> <https://flowhub.com/cannabis-industry-statistics> (accessed March / 2024)

<sup>24</sup> *Ibid.*

## Massachusetts and Boston

Massachusetts made Marijuana legal in 2018, and since then, the industry has grown. There is quite an even distribution of the 400+ retailers in Massachusetts (see **Exhibit 1**).

The top players here are:

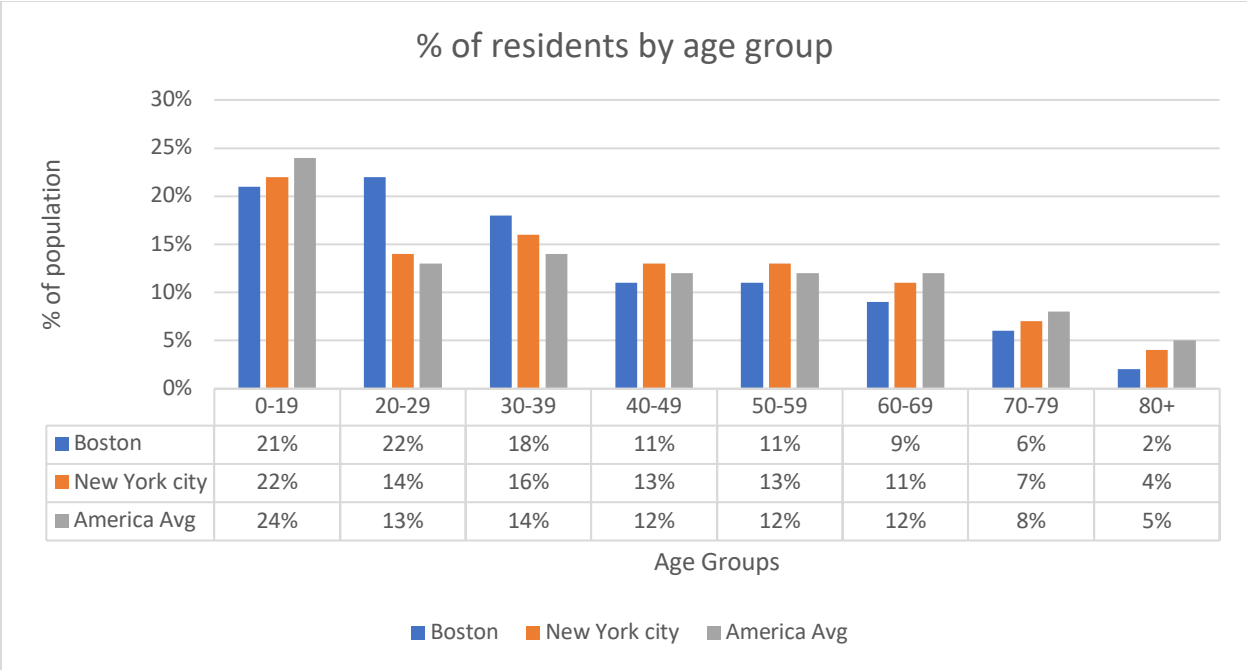
1. **INSA:** [INSA](#) is the top-selling cannabis brand in Massachusetts for 2022, with 120 retailers, more than \$132,000,000 in total sales, and an estimated 1,600,000 units sold. This represents more than 10% of total sales for the state and an average 1/8th price of \$45.91(\$13.1/gram). The top-performing dispensary for this brand was INSA Springfield Downtown, which sold more than \$52,000,000 of INSA products for the year. Their most popular strain was Wedding Cake, with more than \$9,000,000 worth of sales.
2. **CommCan:** [CommCan](#) is the second top-selling brand, with 57 retailers, more than \$61,000,000 in total sales, and more than 600,000 units sold. This represents 5% of total sales for the state and an average 1/8th price of \$46.29(\$13.2/gram). The top-performing dispensary for this brand was CommCan in Millis, which sold more than \$24,000,000 of CommCan products for the year. Their most popular strain was Sour Diesel, with more than \$4,000,000 worth of sales across Massachusetts.
3. **Rythm:** [RYTHM](#) is the third top-selling brand, with 163 retailers, more than \$51,000,000 in total sales, and more than 800,000 units sold. This represents 4.2% of total sales for the state and an average 1/8th price of \$45.91(\$13.1/gram). The top performing dispensary for this brand was RISE Dracut, which sold over \$7,000,000 of Rythm products for the year. Their most popular strain was Brownie Scout, with more than \$5,000,000 worth of sales across the state.
4. **Garden Remedies:** [Garden Remedies](#) is the fourth top-selling brand, with 127 retailers, more than \$48,000,000 in total sales, and more than 700,000 units sold. This represents 4% of total sales for the state and an average 1/8th price of \$46.07(\$13.2/gram). The top performing dispensary for this brand was Garden Remedies in Melrose, which sold more than \$18,000,000 of Garden Remedies products for the year. Their most popular strain was Sour Kosher, with over \$1,000,000 worth of sales for the strain<sup>25</sup>.

These brands have similar prices to BVC, but BVC is trying to offer the brewery-esque experience with higher quality cannabis to build a community of cannabis enthusiasts and repeat customers. Some of their competitors closer to Uxbridge are Green N' Go, Caroline's Cannabis, Nature's Medicines, and Garden Wonders cannabis. These are also trying to sell premium cannabis through their dispensaries in Uxbridge.

There are around 43 dispensaries in the greater Boston area (see **Exhibit 2**), leaving room for many more dispensaries to be opened here.

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<sup>25</sup> <https://cannmenus.com/learn/top-cannabis-brands-in-massachusetts-2022> (accessed February / 2024)



**Figure 5:** % of residents in each age group<sup>26</sup>

From **Figure 5** above, we can see that Boston has a lot more residents in the target demographic for Cannabis, i.e., the 21-39 age group, as compared to the American average and the city with the highest cannabis consumption (i.e., New York). This shows room for penetration in this market, which needs to be exploited.

Generally, a cannabis retail dispensary can range from 2,500 sq ft to 5,000 sq ft in size on average<sup>27</sup>. Dispensaries in the city may be smaller due to higher real estate costs. The average pay for a dispensary store clerk to run a store is around \$21 an hour in Massachusetts<sup>28</sup>. A store clerk in Boston may demand a higher pay than average. An average store would cost \$ 1 Million to open in Massachusetts and \$2 Million to open in Boston. BVC estimates that it could cost them \$ 1 Million to acquire more grow space.

BVC has been fortunate enough to not need fundraising to this date. It has taken them 3 years and \$20 million to reach this point. Any expansion is expected to be internally funded.

Overall, Massachusetts is a saturated industry on the face of it, but the customer demographic does exist. While prices have fallen over the last few years, a solid young population in the state could be potential customers. Boston itself has the benefit of being a predominantly college city. There are 64 colleges and universities in Metropolitan Boston<sup>29</sup>. These colleges would attract a lot of domestic students who would be in the 21-29 age range. This adds a huge potential customer base for BVC or other cannabis retailers to tap into.

<sup>26</sup> <https://censusreporter.org/> (accessed February / 2024)

<sup>27</sup> <https://growamericabuilders.com/cannabis-dispensary-cost/> (accessed February / 2024)

<sup>28</sup> <https://www.ziprecruiter.com/Salaries/Dispensary-Salary--in-Massachusetts> (accessed February / 2024)

<sup>29</sup> <https://thebestschools.org/local/ma/boston/#:~:text=How%20many%20colleges%20are%20in,radius%20of%20Boston's%20city%20center.> (accessed February / 2024)

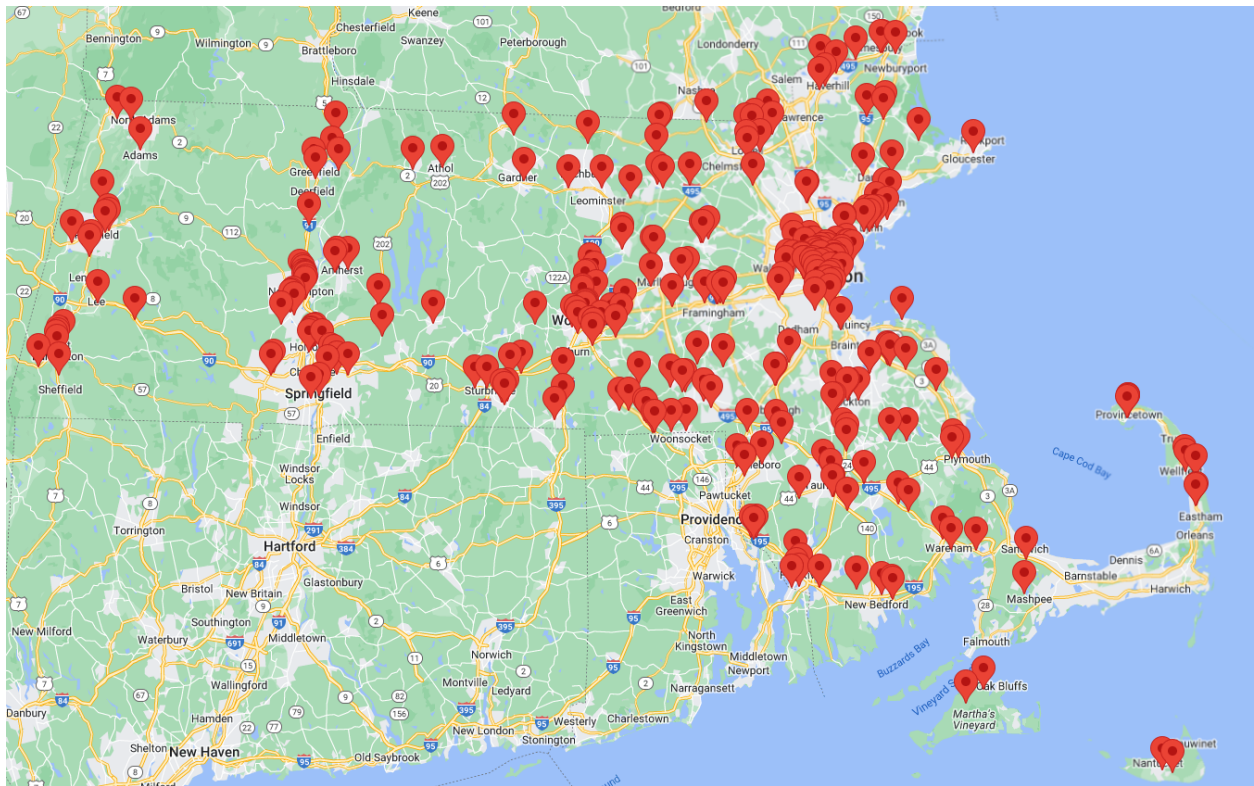
## **Future Outlook and decision points?**

Given the positioning of BVC, here are the questions that need to be addressed:

1. Should BVC look to open another store? Where in Massachusetts should it be located?
2. Should they consider expanding to another state? Rhode Island approved Marijuana for recreational use; would it make sense to operate there, too? Keep in mind that they would have to set up a whole new Grow facility to enable this, as Marijuana cannot be sold across state borders.
3. Given the current market dynamics, does it make sense for BVC to look to make a strategic brand acquisition, and/or in-house collaboration with an out-of-state brand?

# Appendix

## Exhibit 1 (Locations of retailers in Massachusetts)



## Exhibit 2 (Locations of retailers in Boston)

