



THE 2019 CANNABIS COMPENSATION STUDY

The Inaugural Survey powered by **FutureSense** in collaboration with **NCIA**



INTRODUCTION



THE 2019 CANNABIS COMPENSATION STUDY is the first formally executed compensation survey created for the cannabis and hemp industries. A growing number of companies are looking for both data and best practices for their executives and employees. FutureSense LLC, a human capital consulting firm with more than 30 years of experience providing compensation guidance and managing surveys to support industry sectors, is working to build a legally compliant set of pay data. Our efforts connected us with many industry influencers, including the National Cannabis Industry Association (NCIA), whose membership is also challenged by a lack of pay data.



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The NCIA's leadership helped make this effort an initiative for 2019. The result is the industry's first real look into pay data, as viewed by professional compensation experts.

There are several objectives for this survey. The first is gathering and reporting data in a manner consistent with DOJ rules and compensation best practices. This focus provides legitimacy to the data and allows it to be used by companies as a trusted source for pricing jobs. Another objective is gathering data from a wide variety of locations and company types. Participants include small and large companies, focused and vertically integrated, adult-use and medical-only, and companies from across the United States and Canada. Most importantly, our goal is to provide a solid, independent third-party data set that can be used as a foundation for individual company efforts and the advancement of the industry as a whole.

The survey has evolved significantly over the year it has been in progress. It was initially viewed as an annual process. However, this has emerged into a "living survey" due to the needs of the quickly growing and changing industry along with the markets that support it." Now there will be updates as often as four times a year. Open enrollment and regular updates will allow companies to participate when they are ready and also ensure the data reflects the current trends in the marketplace. This first release of data is based on submissions through October 2019. The next release will be in January 2020 and will include data through December 2019. We are planning to release quarterly updates in 2020.

FutureSense passionately believes that better data supports better decisions. It is our hope that participation in this survey continues to grow to provide companies with more of what they need to compete within the industry by attracting, engaging, motivating, and retaining the best talent.

THE IMPORTANCE OF GOOD PAY DATA

Pay is the largest expense at most companies, especially in high-growth businesses like those in the cannabis industry. Total compensation budgets can often exceed 65% of revenue. Paying more effectively can provide material benefits to other budgets throughout your organization.

COMPLIANCE

Compliance is integral in this highly regulated industry. Using industry and position-specific compensation survey data is considered the best practice for setting pay in nearly every industry. It is also a sound defense against industry collusion and price-fixing concerns. Data resulting from the CannaCompensation Survey complies with the Safe Harbor guidelines established by the Federal Trade Commission (FTC) and the U.S. Department of Justice (DOJ).

STAFF RETENTION

Replacing good employees is expensive. The total cost can easily be 150-200% of their annual salary. Every retained employee saves your company money, builds your knowledge base, and creates a more employee-friendly environment. Pay is seldom the only reason people leave, but your competitors will be perfectly happy to "buy" your best people.

ATTRACTION AND RECRUITING

Confidence in pay data means confidence in your hiring process. High-growth industries depend on reliable data to shorten the hiring lifecycle and provide better job offers. Cannabis companies are growing incredibly fast. There is no time to recover from mistakes, and every extra day you spend negotiating with someone is one more day they can't help you grow.





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Great people are hard to find in any business. They are even harder to hire. This is a major issue for any industry that is inventing itself on the fly. Your competitive advantage may come from your business model or product, but you cannot succeed without the right people to execute your vision. This survey provides information that will allow you to understand both entry-level, middle management, and senior positions. If you don't use this information to win, your competitors certainly will.

INDUSTRY SPECIFICITY

Pay data for this industry has been either thin or biased towards specific areas or providers. Publicly available survey data is too generic to apply to many industry-specific positions. These sources can be useful as a component of your pay data but lack the specificity needed in this industry. For example, the head of a blueberry farm is not necessarily on the same level as a Master Cultivator and likely paid quite differently. Generic data is useful to provide a broad understanding of the market, but it is difficult to use when hiring and compensating an industry professional.

All unique industries use unique data. Most high-quality compensation surveys are focused on narrow industry definitions, allowing similar companies to know that the pay data they are using is relevant and likely to be used by their peers. Construction firms do not worry much about what software companies pay their project managers, for example. The cannabis business world is incredibly broad and very deep. Its pay data must be equal to that challenge.

INVESTOR RELATIONS

Investors want to know that you pay people correctly. Investments in cannabis companies come with real risks and potentially great rewards. When investors put millions of dollars in a company, they need to know that you have handled the nuts and bolts like FLSA rules, gender equity, and general competitive pay. They expect to see defensible pay ranges for every position. They want to know that you aren't wasting money or risking the loss of key talent.

Many jobs in our industry require recruiting people from other industries. It is critical that you can communicate your value proposition. Biologists, distribution chain professionals, security experts, finance professionals, and countless other potential hires can choose to work in any number of other industries. Jumping into an industry that is not fully proven can be difficult for someone with experience in a more traditional industry. Great pay data provides ammunition to compete for the best talent. This is exactly how other emerging industries have succeeded in the past.

WHAT HAVE WE LEARNED?

The survey data uncovers some very interesting information. Pay for many positions is more volatile than found in more mature industries. The number of positions with reported data far exceeded expectations for an inaugural survey. Certain jobs had less data than anticipated, while others were surprisingly well populated. The final results provide strong information for many critical positions and the building blocks for a growing foundation of information to help drive the future success of the industry.

Compensation data for each position is typically reported as percentiles. Where data is limited, quartiles may be reported. In contrast, informal or non-compliant data presents averages, maximums and/or minimums. This distinction is important because the range of pay for a group of jobs should be fairly predictable and follow a basic pattern.

In base pay, we typically expect the 25th and 75th percentiles to be one (1) or sometimes two (2) standard deviations from the norm (mean or 50th percentile). The minimums, averages, and maximums of the raw data submitted for the survey were often far more volatile than expected, or useful. Minimums and maximums were often five (5) and sometimes ten (10)



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standard deviations from the norm, even though average pay was materially different than the mean for many positions. Outliers at the maximum or minimum in limited data sets caused this variance. Once these outliers were accounted for and the data was properly leveled and anonymized, ranges were within, or very close to, the expected norms. This adjustment tells us that historic data used by industry companies likely resulted in pay that did not actually reflect the market. This new information should allow companies to more confidently set pay ranges for 2020 and beyond.

With the history of cannabis and hemp prohibition, not surprisingly, many companies were trepidatious about participating. Even with this hurdle, many companies did participate and worked hard to provide their data in the granular format requested. In the end, we received compensation data for almost 50 companies and more than 200 positions. Approximately 85 positions had enough data to qualify as compliant and reportable. We fully expect that data for additional positions will be reportable in future releases. [Some of these require as few as five (5) additional participating companies].

The final data is categorized into 12 “job families.” Jobs are then subcategorized and leveled in the job family that best represents the position. This categorization system allows for growth of the survey and an understandable method for aligning jobs with pay data.

JOB FAMILIES:

1. Accounting & Finance
2. Business
3. Cultivation
4. Distribution
5. IT
6. Legal
7. Manufacturing & Product Development
8. Marketing & PR
9. Operations
10. Retail
11. Sales
12. Science

SUMMARY OF THE RESULTS

The following data provides a glimpse into the total data set available. Since the CannaCompensation survey will be updated on a regular basis, we have provided only the 50th Percentile, or mean, for each position. We have only listed those positions with legally compliant and fully reportable data. Participants in the survey receive a full data set following their participation.



TAKE THE SURVEY

ACCOUNTING & FINANCE

| Job Title | 50th/Median |
|-----------------------------|-------------|
| Top Financial Officer | \$159,324 |
| Controller | \$130,000 |
| Accounting/Finance Manager | \$94,000 |
| Senior Staff Accountant | \$75,000 |
| Staff Accountant | \$65,000 |
| Accounting Clerk/Bookkeeper | \$48,454 |

BUSINESS

| Job Title | 50th/Median |
|--|-------------|
| VP of Development | \$175,000 |
| President (not CEO) | \$165,000 |
| Chief Operating Officer | \$150,730 |
| Chief Executive Officer* | \$150,000 |
| Top Human Resources Executive (VP, Dir, SVP) | \$136,314 |
| Project Manager | \$90,500 |
| Business Development Manager | \$75,730 |
| HR Manager | \$70,000 |
| Office Manager | \$60,000 |
| Executive Assistant | \$57,500 |
| Administrative Assistant | \$45,438 |

CULTIVATION

| Job Title | 50th/Median |
|------------------------|-------------|
| VP of Production | \$168,000 |
| Greenhouse Manager | \$100,000 |
| Cultivation Manager | \$85,000 |
| Master Grower | \$55,800 |
| General Laborer | \$37,440 |
| Cultivation Technician | \$37,336 |
| Assistant Grower | \$33,280 |
| Trimmer | \$31,200 |
| Packaging Clerk | \$30,160 |

*Please note: CEO data includes a wide skew of the data due to different business models, sizes, etc. For example, some CEOs who are also founders are opting for more equity than salary and are accepting nominal salaries. As the survey database grows, data may smooth out, and we will also have the opportunity to show demographic breakdowns by industry sector, size, and region.

DISTRIBUTION

| Job Title | 50th/Median |
|-------------------------------------|-------------|
| Distribution Manager | \$75,000 |
| Products Manager | \$70,000 |
| Warehouse Supervisor | \$63,500 |
| Special Events Coordinator | \$58,000 |
| Inventory Manager | \$51,000 |
| Packaging Manager | \$50,000 |
| Customer Service Specialist | \$45,000 |
| Inventory Supervisor | \$42,000 |
| Fulfillment and Shipping Specialist | \$39,520 |
| Driver | \$37,440 |
| Inventory Worker | \$37,440 |

LEGAL

| Job Title | 50th/Median |
|-----------------------------|-------------|
| Chief Legal Officer | \$200,000 |
| Corporate Counsel | \$127,500 |
| Compliance Officer/Director | \$85,000 |
| Compliance Manager | \$71,420 |

MANUFACTURING & PRODUCT DEVELOPMENT

| Job Title | 50th/Median |
|----------------------------------|-------------|
| Head of Engineering | \$150,000 |
| Quality Control Manager/Director | \$80,000 |
| Production Manager | \$69,460 |
| Extraction Manager | \$68,280 |
| Kitchen Manager | \$64,960 |
| Extraction Technician | \$46,800 |
| Quality Control Technician | \$41,600 |
| Production Assistant | \$35,360 |
| Production Worker | \$35,360 |
| Packaging & Labeling Technician | \$32,240 |

MARKETING & PR

| Job Title | 50th/Median |
|---------------------------------|-------------|
| Creative Director | \$180,000 |
| VP of Product Marketing | \$150,000 |
| Chief Marketing Officer | \$113,595 |
| Director of Marketing | \$90,000 |
| Graphic Designer | \$60,000 |
| Content & Community Coordinator | \$54,188 |
| Social Media Editor | \$52,000 |
| Marketing Coordinator | \$49,225 |
| Brand Ambassador | \$47,500 |

OPERATIONS

| Job Title | 50th/Median |
|------------------------------------|-------------|
| Operations Director | \$165,000 |
| Facilities/Maintenance Manager | \$82,500 |
| Production Supervisor/Asst Manager | \$58,240 |
| Facilities/Maintenance Technician | \$52,936 |

RETAIL

| Job Title | 50th/Median |
|---|-------------|
| General Manager | \$110,000 |
| Purchasing/Procurement Manager/Director | \$87,000 |
| Head of Security | \$80,000 |
| Purchasing Manager | \$57,772 |
| Store Manager | \$52,500 |
| Inventory Specialist | \$47,840 |
| Assistant Manager | \$43,004 |
| Security Guard | \$33,280 |
| Customer Service Associate / Budtender | \$32,240 |
| Front Desk Receptionist | \$31,200 |

SALES

| Job Title | 50th/Median |
|-------------------------|-------------|
| Sales Director | \$115,000 |
| Sales Executive/VP | \$112,500 |
| Territory Sales Manager | \$99,500 |
| Sales Account Manager | \$55,000 |
| Sales Representative | \$33,280 |

SCIENCE

| Job Title | 50th/Median |
|---------------------------|-------------|
| Chief Science Officer | \$195,000 |
| Research Director | \$85,000 |
| Cannabis Lab Manager | \$62,950 |
| Research Scientist | \$60,584 |
| Processing Lab Technician | \$41,995 |
| Research Assistant | \$40,800 |

CLOSING THOUGHTS

This survey is part of FutureSense’s long-term commitment to the cannabis industry. Appendix A lists more than 100 positions for which we have captured data, but do not have sufficient participant information to formally report results. A complete list of participating companies is only available for those companies who are participants themselves. We look forward to helping this survey and the industry grow.

2020 may be filled with unpredictable and new challenges. Compensation data and best practices are the foundation of any human resources and growth initiative. Pay is an effective supporting tool for any employee-oriented effort. As participation in the survey increases, so will our understanding of what is working and why it is effective. FutureSense, LLC provides Thoughtful, Responsive and Authentic™ advice on a wide range of human capital issues. We look forward to speaking with you about your future needs.

PARTICIPATE AND LEARN WHERE YOU STAND

A new data release is planned for the first quarter of 2020. It will be followed by quarterly updates for the remainder of the year. We are accepting rolling submissions of the survey and will update and rerelease results on a quarterly basis.

Participation is easy and we can help! If you’d like to participate simply go to www.CannaCompensation.com, select the “I Want To Participate” button, and fill in your information. We will contact you with instructions.

APPENDIX – LIST OF ADDITIONAL POSITIONS TO CAPTURE DATA

| | | | | |
|--|---|--------------------------------------|--|--|
| Junior Staff Accountant | Custodian | Field Team Manager | Lead/Supervisor | Vegetation Manager |
| Accounting Associate/Assistant | Patient Consultant | Facilities/Maintenance Supervisor | Shipping/Receiving Clerk | Watering Manager |
| Business Analyst | Senior Sales Representative | Operations Coordinator/Specialist | Software Engineer | Vegetation Supervisor/Asst Manager |
| Recruiter | Lab Analyst | Merchandising Director | Developer/Technical Writer | Senior Trimmer |
| Training Specialist | Payroll Coordinator/Administrator | Safety Manager | Compliance Supervisor | Fulfillment and Shipping Manager |
| Propagation Manager | Chief Information Officer | Supply Manager | Vice President of Quality | Customer Service Manager |
| Post-Harvest Manager | Top Corporate Development Executive | Strategic/Key Accounts Manager | Extraction Supervisor/Asst Manager | Dispatch Supervisor/Assistant Mgr |
| Trim Manager | Senior Business Development Director | Chief Laboratory Officer | Quality Control Supervisor/Asst Manager | Senior Packaging Specialist |
| Facilities Engineer | Business Development Director | Field Technician | Art Director | IT Manager |
| Supply Chain Manager | Senior Business Analyst | Fundraising Manager | Project Manager, Print Production & Design | Systems Administrator |
| Packaging Lead/Supervisor/Asst Manager | Communications Specialist | Corporate Development Manager | Public Relations Specialist | Contracts Manager |
| Account Executive | Intern | Training Supervisor/Asst Manager | Production Artist | Attorney |
| Account Manager | VP Supply Chain | Fertigation Supervisor/Asst Manager | Receptionist | Regulatory Analyst |
| Account Representative | VP Delivery and Distribution | Flower Supervisor/Asst Manager | Director of Retail | Engineering Manager |
| Warehouse Clerk/Worker | Dispatcher | Nursery Assistant Manager/Supervisor | Retail Account Manager | Assembly Associate |
| VP/Director of IT | Data Analyst | Senior Cultivation Technician | Purchasing/Procurement Supervisor/Asst Manager | Operations Supervisor/Asst Manager |
| IT Technician | Licensing Coordinator/Manager | Grower | Cashier | Senior Facilities/Maintenance Technician |
| Engineer (Process/Manufacturing/Quality) | Top Manufacturing/Product Development Executive | Dispatch Manager | Sales Administrator | Account Management Director |
| Product Designer | Production Development Manager | Distribution Supervisor/Asst Manager | Research Supervisor | Senior Account Manager |
| Director of Public Relations | Assembly Lead | Customer Service Team | Junior Administrative Assistant | Junior Account Manager |
| Communications Director/Manager | Cannabis-Infused Product Chef | | Fertigation Manager | Nutrients Director |
| Packaging Designer | | | Flower Manager | Molecular Breeding Director |

