

AI-Powered Decisions: How Cannabis Executives are Shaping Products

AI Transforming Decision-Making for Cannabis Executives

Detroit, MI – C-suite executives are often perceived as the most powerful group within a company. However, their decision-making capabilities largely depend on the information provided by accountants, advisers, data analysts, and other staff. Artificial intelligence (AI) is poised to revolutionize this dynamic by giving executives direct access to critical data in real-time, reducing their reliance on intermediary personnel.

Direct Access to Data

“Data doesn’t necessarily need to be handled by IT anymore,” said John Hanna, vice president of technology at C3 Industries, a vertically integrated cannabis company in Michigan. He explained that executives can now input questions into a dialog box, and AI will use key terms to understand and retrieve the necessary data. This allows anyone within the company, regardless of technical background, to leverage AI for information retrieval.

Applications of AI in the Cannabis Industry

Cannabis executives, similar to their counterparts in other industries, are increasingly using AI to drive their companies forward. Tom Regan, CEO of Root & Bloom, a cannabis extraction and product manufacturing company in Salisbury, Massachusetts, identified three main areas where AI can be particularly beneficial:

1. **Product and Segment Sales**
2. **Consumer Behavior**
3. **Product Design and Innovation**

Regan noted that Root & Bloom recently began using external AI tools to analyze market data and inform product pricing decisions. Typical questions posed to AI include identifying the next product to design, understanding the prototypical consumer, and assessing whether products are appropriately priced for the target market.

Building AI Infrastructure

C3 Industries is developing an AI-enabled data warehouse that integrates multiple information sources, such as point-of-sale systems, cultivation data, and manufacturing data. This AI system will not only analyze these datasets but also anticipate additional queries based on initial questions, enhancing decision-making capabilities.

“If you ask about sales across all locations, the AI will also be able to provide data by market, by product category, and other relevant breakdowns,” Hanna explained.

Cost Considerations and Starting Small

The costs associated with AI tools can vary, but many cannabis executives find them to be reasonable. Lo Friesen, CEO and chief extraction officer at Heylo, a cannabis extraction and products company in Seattle, advises newcomers to start with free AI tools to build skills before investing in paid solutions.

“Start small. It’s a skill to be able to use these tools,” Friesen said. She recommends paying only for tools that meet specific needs after initial experimentation with free options.

John Hanna also suggests assessing the existing tech stack to identify any built-in AI capabilities. This approach can help companies leverage their current software investments more effectively before purchasing additional tools.

Financial Investment in AI

Root & Bloom spends several thousand dollars monthly on AI tools, while basic AI tools can cost around \$20 per user per month. These investments are seen as worthwhile given the potential for AI to streamline operations and enhance data-driven decision-making.

As AI continues to evolve, its role in the cannabis industry is likely to expand, providing executives with unprecedented access to actionable insights and helping drive the industry forward.

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