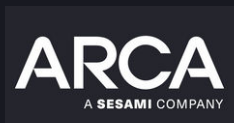




Substance

A Cannabis Customer Success Story



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The staff at Substance knew 67.5 hours weekly was too much time and money spent on managing cash in their operations. They were more than ready to stop wasting valuable resources on manual cash processes and start using them to achieve their growth and expansion goals.

It was the same dilemma many cash-only cannabis retailers and dispensaries face everyday across the country. Substance found their solution with Arca, whose cash automation solutions have been a staple in banks and credit unions for decades.



Part of my job is to research ways to make our organization better. When I first started thinking about our cash operations, and knowing that we want to grow and scale our operations, I knew that cash needed to change and our cash documentation needed to change.

Melissa Johnson, Human Resources Manager at Substance.



The Challenge

Significantly reduce the time staff and management spent managing cash while increasing accuracy and security around cash handling.

Substance operates three retail locations in Bend, Oregon. In 2013 they sold medical cannabis and then expanded into the recreational market when Oregon legalized marijuana in 2016. The three stores serve customers seven days a week.

Before installing their Arca Cannabis Cash Control, each morning a Retail Associate and a Shift

Supervisor would open the store and prepare the cash tills for the day. The Supervisor would also verify the cash from 14 deposit bags from the previous day's sales.

These processes took 30 minutes of the Retail Associate's time and an hour of the Supervisor's time, totaling an hour and a half of labor each morning. Every evening, a Retail Associate and a Supervisor would spend 30 minutes each to close, an hour total.

It took two and a half hours for two employees to process cash at the open and close of each day, a total of 17.5 hours every week. When they multiplied that by the three stores the total was an incredible 52.5 hours per week, just on processing cash.



Those totals didn't even include the additional time required when there were balancing errors or when cash needed to be prepared for transit to their bank. And this was not the only time being dedicated to the business's cash.

Each week Melissa Johnson would spend an additional 15 hours, (almost two days), verifying and documenting the total cash amounts. This meant Substance was spending at least 67.5 hours each week managing cash.

And like many cannabis retailers, Substance stored large amounts of cash in a vault in their back office. This vault needed to be opened several times every day which created risks for the business, employees and customers. And with limited banking options, the staff had to carefully manage the cash in the vault.

Often getting a house fund or change fund was an operation in itself," Johnson adds. "We had to travel to our bank, which is about a hundred miles away, one way, to ensure our funds. And often it's a stressful time to make sure that we have what we need for our customers."

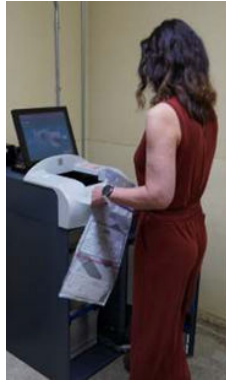


The Solution

An innovative plan centered around a cash automation solution to increase operational efficiency across several retail locations.



Preparing start funds



Preparing deposit for transit

Cash control at Substance was time intensive and consumed operational resources. So Johnson turned to Arca after researching her options. Arca's Cannabis Cash Control was installed in each store. The solution consisted of the CM18b Cash Recycler and the Arca Cash Control operating software.

Arca configured the solution to recycle the smaller denominations of cash for use in the registers and automatically transfer larger notes into the recycler's deposit bag which is securely stored inside the device. When the deposit bag is ready for transit, it is sealed while still inside the safe and then removed for transport.



Big Wins

1 **Bold and strategic thinking has allowed Substance to streamline their cash operations and redirect valuable resources to drive their expansion goals.**

ARCA Cannabis Cash Control transformed cash operations for Substance. “Our cash processes have streamlined incredibly,” says Johnson. The solution has allowed staff to stop wasting their time processing cash.

Shift Supervisors now arrive in the morning and the recycler automatically dispenses a programmed amount of starting funds. “Our

opening times have shortened to only 15 minutes and our closing times have shortened to ten to 15 minutes,” according to Johnson.



When cash is deposited in the evening, the system counts, sorts, and reports the day’s money. The former processes of counting by a cashier, and a supervisor and then being verified by Johnson has been eliminated. “I went from 15 hours of my time per week to one hour per week in cash operations,” says Johnson.

Substance reclaimed

75%

of the time they were
spending managing cash.

50.75 hours every week.



Melissa Johnson
Substance
Human Resource Manager

2

Improved customer service

The extra time savings created by the Arca solution have given employees time to focus on higher value activities for the business. “That time saved in the back of house, puts our staff in front of house, doing the jobs that we need them to do, which is to connect with our customers and sell cannabis in a safe, secure, compliant, legal environment.”

3

Increased cash visibility and more time for business development

Arca Cannabis Cash Control has given management better visibility of their cash across the enterprise and has freed them to spend time developing their business. “Knowing that we

have a cash recycler that we can install in a town 150 miles away, and then also be able to maintain it from a remote office, gives us that opportunity to grow, create jobs and develop new professionals.”

4

Accurate balancing and increased accountability

Accurate balancing and increased accountability As cash is deposited into the recycler it is secure and accurately recorded, ensuring accountability and essentially eliminating balancing errors. “The Arca cash recycler counts each employee’s daily sales and documents it for them to ensure that their sales match our point of sales system,” says Johnson.

5 Increased Security

When it's time to make a deposit to their bank, funds are sealed in a tamper evident bag within the safe. "Our Arca deposit bag is a great feature," says Johnson. "We love to be able to prepare a compliant weekly transit bag for our bank. The bag is sealed within the machine, and so our employees are unable to tamper with it.



6 Less risk and stress

"The system has reduced everyone's stress level, from accounting to the CEO," says Johnson. "Because of the secure cassettes, all of the money is in there and it can't be accessed by just anyone. And for reporting, the accountant can use our Arca reporting from her remote office and can find out any discrepancies right away.

The Arca Cannabis Cash Control system has relieved pressure within the store and in the back office. "Knowing our cash is stored away means that our employees feel secure when they're at work," adds Johnson. "The Arca cash recycler counts each employee's daily sales and documents it for them to ensure that their sales match our point of sales system. Everybody feels more secure with Arca."

Strong Finish

Substance was able to achieve their goals of improving productivity and having more control of their time. The Arca Cannabis Cash Control system streamlined their cash processes, enabled them to focus on growing their business and more. “And now we are growing and expanding outside of Bend into other towns in Oregon,” Johnsons adds.

“I would recommend Arca to any cannabis industry or cash heavy business mainly so that you can sleep at night. There are other reasons too, like happier employees, happier customers, less time spent going to the bank. It’s a win for everybody, especially in a cash heavy industry like cannabis.”



The Benefits

- Cash process time for Johnson plummeted from 15 hours per week down to one hour
- Opening and closing times have been cut in half for cashiers and supervisors
- Balancing issues and recounts caused by human error have been eliminated
- Bank deposits are easy, automatically bagged and securely sealed inside the safe
- Security has increased as cash is securely protected inside the safe
- Stress has been reduced with cash locked inside the safe
- Reclaimed time now spent on increasing customer service and developing employees
- Managers are able to see cash levels across all stores on a daily basis





Since 1998, Arca has been committed to helping people control and streamline cash operations in bank branches, retail stores and self-service kiosks. By focusing on technology and services, Arca delivers thoughtful solutions to make transactions simpler, more efficient and more secure.


We are reimagining everyday transactions, freeing people to focus on what matters most.

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