

## Thinking Outside the Bud

Episode 425 - Filip Luneski

<https://www.thinkingoutsidethebud.com/podcast/emerging-innovations-lucid-greens-cannabis-supply-chain-revolution-with-filip-luneski>

### EPISODE TRANSCRIPT

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#### **Bruce Eckfeldt**

Welcome, everyone, this is thinking outside the bud. I'm Bruce Eckfeldt. I'm your host, our guest today is Filip Luneski. He is VP Head of Marketing at Lucid green. We're going to talk about the world of cannabis in terms of data and supply chains and organization. And really helping figure out how we connect brands and customers and really kind of organize things. I think as most people know, in this industry, it's a little complicated. The regulatory environment, the licensing environment really varies state by state and how companies are organized, how data is transferred, how product and processes kind of manage throughout, it can be a little complicated. And lucid is doing some interesting things around really how to solve some of these things are provide some abilities and some data points and some connection between the stuff to really help with a couple of different parts of the supply chain and the customer chain. So we're talking about that we're going to talk about kind of where they are, what they're doing, where they're seeing as opportunities, and really kind of where things are going. Cannabis is evolving quickly. The regulatory structure is evolving quickly, we're maybe looking at some federal structure at some point. But all of this is in play, which creates a fairly dynamic and interesting market. So with all that, Phillip Welcome to the program.

#### **Filip Luneski**

Thank you for having me, Bruce, it's a pleasure to be on your program.

#### **Bruce Eckfeldt**

Ya know, it's a pleasure to have you before we dig into everything that's going on today with loose agree, and I would love to get a little background. Tell us you know, professionally, what was your background? How did cannabis get into play here? Give us the backstory.

#### **Filip Luneski**

Sure. And if you don't mind before getting into my answer, yeah, and this is really not me trying to be overly cordial. But I would really wanted to say thank you for doing what you're doing with the podcast. You know, I tune in and listen to almost every episode, as I know that 1000s of other people do. And the thank you really goes to anyone actually who's doing something similar, whether that is you know, podcasts or some other form of education, because I think that that's the key word that we're also going to probably make an overarching topic of conversation today. Because essentially, I find this to be a classroom, if you will. And we need to make

sure that all of us we join forces when it comes to education, sharing valuable, meaningful information, because, to me, that's the key to success for this industry. It's not about launching yet another product line or making, you know, coming up with a new brand. It's about setting up the foundation. And as we know, this industry is far from being properly established, right. So we need to make sure that as I said, we all contribute to this stigmatizing, adding anything that we have in our disposal to properly set up and establish this industry, so we can normalize things and you know, mature and progress on the way forward. So just wanted to mention that and you know, talking about me, I'm relatively new to the professional world of cannabis. It's been two years outside of my profession, my experience is much more richer and profound. Yeah. So obviously, as you mentioned,

I look after marketing for lucid green. And I really, really love my job and everything we're doing is with team, because I find it very purposeful. Prior to joining lucid dream, I spent my entire career in the CPG world. I moved to the United States back at 2020 going to cover that part when you finally being you know, ridiculous here. But I joined Anheuser Busch back then, and what I was leading national trade marketing for the entire portfolio, meaning beer and beyond beer. So think of brands such as Budweiser, Bud Light, Estelle arts, Michelob, Ultra and many others. And back in Europe, I was in charge of the European business unit for Molson Coors. Sure, this is another global organization in the beer industry, essentially, it's a competitor of Anheuser Busch, but in Europe, they have a joint venture across many countries. Hence, you know, the connection with the US.

And then prior to that, you know, an extra started my career working for Coca Cola, where I spent a lot of years, you know, learning what marketing is all about. And I can speak very highly, you know, I can speak in superlative about all of my previous employers, but Coca Cola is, I hope you would agree by far the best evidence, you know, for a great marketing, or, and this is why they have been, you know, among the top five companies out there for so long. And that's because they understand marketing, and they are bold in what they are doing reinventing the brand and the company all the time. So, you know, that's a great pride that I take, you know, being part of light portion of the history of that company. Yeah.

### **Bruce Eckfeldt**

So a bunch of threads here we can pull be curious on two main ones. I mean, given your background in brands and brand building and marketing, how do you kind of size up the cannabis industry? Or where do you think we are in terms of cannabis in terms of kind of the role of brands in the cannabis industry?

### **Filip Luneski**

Oh, that's a very interesting question. There are some great brands out there in the cannabis space, no doubt, but we are far from where we should be. Yeah. And I think that there's a reason to that. Of course, some things that we just mentioned the industry not being present really regulated. With that comes a lot of restrictions, there is a massive restriction in terms how we can do marketing overall, which again is a constraint to building brands.

And there is still a lack of, I would say, competence, you know, speaking broadly competent marketing force out there, people that can, you know, steal with pride from other industries and other companies. So, you know, they can introduce some of these best practices in the world of cannabis. So I think this is not something that should demotivate people. On the contrary, I see this as a massive opportunity for the industry to start building

and establishing proper brands, brands that will stand for something that will keep the culture the folklore of the cannabis world that will resonate with a mass with a wider audience, but also, you know, be exciting and fun and bring new values to the table.

So there is definitely a lot of work to be done. But this is again as of responsibility of all of us to contribute to properly set up the foundation of the industry. So the company is going to be brand centric, going forward, and brand centric essentially means your consumer fencer centric. If you're not consumer centric, you cannot build great brands that will be a fad, it will fade away. So you need to make sure that you understand the consumer landscape in order to build respective brands to resonate with them. Be

### **Bruce Eckfeldt**

curious on that one. I agree. I also find in cannabis, like the actual consumer, or understanding the consumer or segmentation of the consumer and understanding really kind of consumer needs and computer attributes and concerns. And that is so hard, because we don't have a whole lot of connection or data or the just the structure of this industry is so complicated, like brands actually getting that data seems really problematic. I mean, what's your sense of what you can do as a brand right now in the cannabis industry?

### **Filip Luneski**

I would say, you know, to your last point about the data not being available? I would say yes, and no, because we see organizations, companies providing meaningful data, you know, at this point, you know, I'd say that this is relatively accurate, relatively representative. So it's up to, for someone to use it. I mean, we, as a company, we carry a lot of data as well. And we offer these through our network of clients, brands, retailers, depending on who's owning the data, but it's about properly focusing and reading and interpreting and actioning, about upon this data.

So I would say again, this is part of the phased approach, we see some brands more and more, you know, digesting the data, and creating marketing plans, even business plans based off of this data, but it will take some time. Yeah. So we first need to solve for the big headache, you know, the massive problems that exist out there, especially such as in the state of California, where brands are really not able to focus on building the brand DNA focusing on the consumer landscape, because he has so many issues with respect to regulations with respect to the disposable income because of taxes and all these incremental costs that are coming along with it. So it will take some time for sure. It's a marathon race.

### **Bruce Eckfeldt**

Yeah. And then I'm also kind of curious, given you've had some really interesting and the experience with other kind of regulated products, you know, alcohol space, give me a little compare and contrast, like how, as you've gotten involved in cannabis, where have you seen sort of comparisons or similarities or things that you've been able to borrow from alcohol? And where is this just totally different than how alcohol is either structured or how they manage the regulatory process for alcohol? Of course,

### **Filip Luneski**

yes, I mean, I can definitely talk about similarities and differences relative to alcohol, because I spend a lot of years in that space, the cannabis and the business, you know, while distinct in their products, they do share several similarities in terms of you know, the market dynamics, the regulatory framework, you just mentioned

the consumer behavior as we see more and more. So in terms of the similarities, I would say, probably the number one is the regulation and the legalization overall, as we know, both industry are heavily regulated, and have undergone significant changes in this aspect of legalization, alcohol prohibition in the US and that I think it was early 1930s While cannabis has seen a more recent shift towards legalization in various states and countries. So both industries must navigate complex and very challenging legal landscape.

Very important. One is that the age restriction and ID verification so to purchase alcohol to purchase cannabis products, customers must be of legal age, which is a good thing. Of course, that's just another similarity that needs to be practice properly. Health and safety concerns and other similar similarity. Both industries face public health safety concerns, some are justified some are not so again We need to make sure that we bring the accurate reality out there in order to, again, protect consumers, or educate them to consume the products safely, but also break the stigma where it's not necessary or where it's not applicable. And in terms of the differences, I would say, this is actually a similarity. But it's a difference at the same time. You mentioned previously, you mentioned the market segmentation. So the alcohol industry is much more mature, it's more organized. And that's why it's more proliferated, the segmentation is probably the most important parameter that is present in alcohol.

And you don't see in cannabis yet again, this goes back to the data conversation, we need to understand the demographics we need to understand who the consumers are, and therefore accordingly do what I call category management of the cannabis industry. So we organize the products, the product theives the brands, so consumers and shoppers can we can talk about the difference between consumers and shoppers later, can make the most meaningful choice when it comes to purchasing consideration, etc. And probably I would say, just as the last one, the stigma, so both industries, you know, they play significant roles in the social setting the cultural practices. However, unfortunately, the cannabis industry is much more demonized much more stigmatized, though, again, we see a significant progress in this aspect. And it makes me happy to see that honestly. Yeah.

### **Bruce Eckfeldt**

So I'm curious with Lucia green, like, what was your like? Why join loose? Agree? And like, what do you see as kind of the opportunity, why this part of the market, I mean, give me a little sense of your decision making in terms of going from some of these other markets getting into cannabis. And while making the move,

### **Filip Luneski**

I've always considered myself to be purpose driven, at least I wanted to make myself being purposeful in what I do, because that's how you can find self motivation. You want to rely on somebody else, on your boss on your company or colleagues, to bring you that sense of motivation. That's always very important. But if you're able to source the motivation, and the inspiration yourself, I think that's the best version of it. So when I talk originally with Larry about lucid dream, you know, what is the overall goal and the objective of the company, I was blown away.

And I really saw myself as a significant instrumental part of that journey with my marketing and sales experience to add significant value to the company. And this, you know, journey that Larry, as a CEO, as a founder has his vision. So I'll try not to get into details, because I know that Larry, was on your program several months ago, so it's going to talk extensively about the company. And again, I'm aware that there are a lot of

companies talking about their revolutionising this and that, you know, so I don't want to sound cliché, but I really believe that what we do is revolutionize the industry from end to end or the across the entire route to market. And what this means is that and this is, you know, the purpose that I see is that we are tech company, detect company that revolutionizes the cannabis space across the entire supply chain, including the end users, so it's b2b to see.

So we help brands optimize production processes, with respect to regulations with respect to how they work with retailers when it comes to the ingesting or thing back office, and also selling in the dispenser. So how we do this? Well, we have this super smart, dynamic QR codes that we call lucid IDs, and case IDs. So the lucid IDs, they go onto products, whereas the case IDs, they go on to cases, and the power of the lucid IDs Druce is that they are unique to every item. I'm going to repeat the lucid IDs. They are unique to every item,

**Bruce Eckfeldt**

not SKU not SKU actual individual item.

**Filip Luneski**

Yes. So barcodes are unique to skews. This is the next generation of barcodes. And that's why the lucid ID is they're not only applicable to cannabis industry, they can be applied across any industry, you name it. That's why I see that I say that the lucid IDs, our technology, or whoever else make something similar is the next generation of barcodes. Think of a serial number of a banknote. That's how lucid ID acts on two products. In this case in the cannabis industry. We call them smart product identifier for short.

**Bruce Eckfeldt**

So I get the idea. So these are basically like unique serial numbers for every single product that's out there. I mean, there's a lot of product gonna be a sense of the data, the volume, or the scale that we're talking about here.

**Filip Luneski**

So we currently have close to 16 million lucid IDs on the market. And we're scaling everyday. We hit a new milestone last month in February, and we're now working with a lot of wearing last day Ah, partnering with a lot of MSOs out there. So I'm not going to name any companies because it's still not, you know, official. But, you know, getting into April, it's a new game plan for lucid ID, you know, we're going to have a tenfold increase in the number of lucid IDs that will be on products and different companies, different brands, across different states. So that's why, you know, we want to see the lucid IDs as a standard of the cannabis industry, and think that it's not. So of c

ourse, it's very important for the companies because it unlocks a lot of potential for them to read data, better to understand their segments to understand consumer behavior, to use the reporting to deplete stocks, do better inventory management, et cetera, et cetera. And we can talk about this in more details if you if you want. But I think the most important part that goes to the first part of our conversation was is about the consumer centricity, because the lucid IDs are an avenue of direct communication to consumers. Yeah,

**Bruce Eckfeldt**

so and how I guess I get the idea that we now have a unique code on every single product that identifies that specific product throughout the supply chain, and that you've got the case IDs to kind of manage that. How does it allow brands to now, you know, connect? Or I guess, what does this enable in terms of new kinds of applications or scenarios or use cases for both brands and retailers and shoppers and consumers? Right?

### **Filip Luneski**

So and I could talk about is what days because that's the beauty of our, the powerhouse of the Lucy? Ladies. Yeah, let me very briefly reflect on the b2b part. And I'm going to talk about a consumer aspect. So I mentioned the reporting, we have a plethora of different reporting that we offer to our clients, the most important one, and this is again, another thing that I can resonate with, because it was a big gap in the CPG world. So even the Coca Cola and the Anheuser Busch is of the world, any company for that matter, does not have proper understanding of how much products they're selling on a specific location in a specific date and time, that's not existing old days, you know, and you'll notice as well, the sales data, the retail sales analysis that companies are using, it's mostly post festen, and is sometimes representative data for a certain retailer for a certain geography etc, etc. What we offer with these, you know, item level trackers, The Lucid IDs is that if you're a company in real time, today, right now, you can select a retailer, you can select a specific retail location, and you can see the level of inventory over there.

Again, for your specific SKU, not brand not product for a specific SKU, you can cross reference that to a rate of sale, let's say 30 9060 days, whatever that might be. And you will get a very accurate estimation about when that product will potentially get out of stock. Or if it's overstock again, Oh, interesting. Yeah, racked accordingly. And this, this is super important, because in the cannabis industry, there is no proper and accurate forecasting. It's more like, you know, you trust your retailer to say I need this many products or your retail sales, you know, the field force to go and sell as many cases. But that's not always the most optimal way to go on with your products.

So managing inventory on a single location in real time, I think is very powerful tool to have. On the other side, you can also we call this sell through data, you can understand however, many units are being sold into a specific retail dispensary, and are sold in and then sold out, meaning transaction to consumers sell in and sell out. Again, this is super important to understand the dynamic the rate of sale, the velocity of sale on the SKU level, and then understand which ones are your faster sellers, lower movers. And then again, do something which is promotion and better marketing, or you just like, do better category management overall. So you introduce the most optimal portfolio in that specific dispensary, or on a retail basis. So these are the two most important reporting that we have on the b2b side on the b2c side. It's super exciting. If you're a consumer bruise yourself, you get your phone, you launch your camera and you scan a lucid ad.

It gives you all the product details that are relevant for you as a consumer to understand, you know, the cannabinoids, the terpenes, the THC level, to educate yourself what you're buying. You can also learn about the brand, the brand is to decide on their own in terms of how many information they want to provide to their consumers. But in most of the case of the partners that we work with, they do a great job telling the story about their brands, about the reasons to believe cetera, et cetera. You can also download the COA we see almost Half of our active users downloading a certificate of analysis and browsing through it, super exciting. And we have a lot of other, you know, educational pieces. But the most exciting one is that with every scan, you can collect what we call bad points. And then you can redeem those points for your favorite swag for your favorite

brand. And, again, this is something you know, that adds to the brand centricity, you know, building value building relationship with your consumers. So we have all of our most of our brands actually joining the lucid Connect platform, as we call it, to engage into direct to consumer relationship with a user base.

**Bruce Eckfeldt**

Interesting. So brands use your platform to kind of set up these kind of programs and offers and systems and then allows them to connect to the consumers actually purchased these products through the dispensary,

**Filip Luneski**

the most elegant, the most direct way you can contact your customers. Yeah, because you can also do push notifications. And again, this is completely in line with regulations, or you know how SMS, you know, texting is not it's in a gray area, because, yeah, we all see that experienced that. And it's very annoying when you get yet another SMS from someone, you know, offering something, whatever that might be. This is push notifications that goes through the native app. So it comes to your screen, if you want, you know, you can click on it and open the notification, which most of the time it's very meaningful, and adds value to you. Or you can just swipe left or right and ignore it. So there is minimal interruption. Yeah. And

**Bruce Eckfeldt**

so what have some, I mean, I guess, who's actually using this at this point, like what have you seen in terms of brands, what are the results, what's kind of actually happening in the field with some of these things.

**Filip Luneski**

Of course, this is available only to the brands that are companies that are using the lucid IDs. So again, if you don't have a lucid on your product, the lucid ID app is not really useful. So majority of our clientele that is using the lucid IDs, for again, for this b2b purposes and supply chain side of the world, the retail side of the world, every time we talk about lucid connect as an added value as an avenue of communication to their customers, they're, I would say mind blown, because, as I said is the easiest way, the most minimally invasive way to reach to your customers. And alike. We have new brands joining almost on a weekly basis. We are right now standing up actually next week, curio wellness is going live.

And I'm very proud of this partnership, because they take this very seriously, the entire marketing department on their side is fully engaged. And they're introducing this as part of their integrated marketing approach. We have companies such as Rove, Nirvana, legion of blue Lido, and many others, that they using these and seeing significant results, because, again, they are giving away their mortgage their swag to their loyal customers, they provide meaningful information to their customers, in terms of what is the safest way, the most optimal way to use this products, they have suggested products as well as and you know, coming for 20 Valentine's Day, you know, 710, these occasions they offer additional discounts or benefits were their customers. So the engagement rates are high, and they see this in their sales. That's the most important factor. And you know, you cannot beat this because it's empirically proven. Yeah,

**Bruce Eckfeldt**

so interesting. And I'm curious about the state by state, like some of these multi state operators, like how does this, this enable them to do anything differently? Like I always find this state by state issue, but both from

operations point of view, and then a regulatory issue? Like it becomes challenging for multi state operators. How does this help them?

**Filip Luneski**

It's even more relevant to the MSOs. Because they want to nurture national breaths, right? They want to make sure that the look and feel the experience with their brands is the same in, let's say, New York, as it is in Maryland, as it is in California. So again, the lucid ID, the app, bridges this gap, or let's say synergizes, the experience of customers across different territories.

Yeah. And so as I said, that's why we see the lucid Connect platform as a channel of communication to customers. So as I said, even more so the MSO find is very relevant, and it's not even a discussion. They just, you know, say let's join forces and make sure that we utilize this in the most meaningful way. And I'm not going to mention names, as I said, but we are getting ready to onboard close to 15 brands coming May. So we're going to see much more many more lucid IDs, you know, on the market. Yeah.

**Bruce Eckfeldt**

And ultimately, what's the goal with lucid Id like where do you hope to be in a couple of years in terms of, you know, nature of the market, how many brands how many products you want to be on? What role One of the playing in the industry, I

**Filip Luneski**

think it's already happening. It's a matter of time. And I don't want to sound arrogant by saying this, but we are becoming the standard of the industry. I'm going to make a short metaphor. I'm vegan myself. So when I buy products, I look for this, you know, signs this iconography that says he's either cruelty free product or vegan product. And that's how I make my purchase decision. I think that this is how and I hope that this is how customers will make decisions for brands for cannabis products by seeing whether that product has a lucid ID on it. Because number one, and this is something that it doesn't mention any critical. When you scan as a customer, when you scan a lucid ID, the first problem that you're getting is that this product is authenticated. It's verified in terms of the legality, the safety net of the product, because we ran a survey a few months ago, one of the most obvious I would say it wasn't a big surprise, but most important component is we got was that close to 90% of the customers, they are still somewhat you know, concerned that what they're buying might not be fully legal product might be fake, it might be illicit, or something else.

So scanning elucidate D actually gives you the confidence that what what you're buying is safe to use product. And then again, with all these other benefits, you get to see much more value with that with that product. So long term, I believe that this will be you know, a standard, because it's a what I call triple effect. It's a trifacta of benefits for the brands, for the retailers, because it's more footfall in their stores and for the customers. So everybody gets a value or multiple benefits out of the use of Lucy ladies. Yeah,

**Bruce Eckfeldt**

makes sense. And do you have ambitions to be broader than cannabis or CBD or other products? I mean, where do you see kind of the market going for you?

**Filip Luneski**



The ambition is, of course, there. As I mentioned, you know, the application of our technology goes beyond the cannabis industry. But we first really want to make sure that we contribute enough for the industry to put to see the industry that is in the proper shape. It's hopefully federally legal. And now we have you know, the opportunity to go elsewhere with need to make sure that we take care of the plant first, we show that you know this industry is here to stay. And it brings a lot of value economically, socially, you name it, and then we can talk about getting outside our industry.

And one thing that I want to mention here again, it's not something that probably I should talk in more extensively at this stage. But our lucid IDs are compatible. They're the digital links are compatible with GS one. And GS one is the global standard one is the company. I refer to it as the United Nations of barcodes. So think of any barcode out there any product that you buy the barcode that you see on the product, it comes from GS one, that's the repository of all barcodes across the globe. So we are compatible with the standards of GS one with respect to the digital links as of today, and we're going to be fully compatible in near future and that will set us you know, it will pay the pad for us to go outside of cannabis industry as well. Yeah.

### **Bruce Eckfeldt**

Fascinating. This is my pleasure. If people want to find out more about you more about lucid green, what's the best way to get that information.

### **Filip Luneski**

So I'm very active across all social networks. Philip Lewandowski, just you know, find me I'll be happy to connect with anybody, especially if it's about cannabis industry, marketing, you know, science. And when it comes to lucid, green, lucid green.io is our website. We are again, very active on LinkedIn and Instagram. So hit us up. We're very exciting to connect with any enthusiast about cannabis and again, spread the word about what we're doing, but also get the feedback from any constituent of the industry. I'll

### **Bruce Eckfeldt**

make sure the information is on the show notes so people can get that. Philip, thank you so much for taking the time today. It's been a pleasure.

### **Filip Luneski**

Thank you. Likewise, they appreciate you having me on the program.

## **About Eckfeldt & Associates**

Eckfeldt & Associates is a strategic coaching and advisory firm based in New York City and servicing growth companies around the world. Founded and led by Inc. 500 CEO Bruce Eckfeldt, E&A helps founders, CEOs, and leadership teams develop highly differentiated business strategies and create high-performance leadership teams who can execute with focus and rigor. Leveraging the Scaling Up, 3HAG, and Predictive Index toolsets, the firm has worked with a wide range of dynamic industries including technology, professional services, real estate, healthcare, pharmaceutical, and cannabis/hemp.

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