Where your money leaks

Ten places a dispensary loses money without noticing, and how to ask your AI about each.

Most money a store loses never shows up as a loss. It goes out a few dollars at a time: a discount on top of a discount, a special that only discounts people who were coming anyway, stock nobody has sold since summer.

ONCE A WEEK

- Ask once a week: **Where did we leak money last week?**
- You get the **three biggest leaks** per store and for the business, each in dollars, with what to check
- Then ask about the one that matters: each page below is one leak

ASK YOUR AI

Where did we leak money last week?

HOW TO READ A FLAG

- **Same store, same hours.** A budtender is only compared with the others at the same store - for discounts, in the same hours of the day. Mornings and evenings are different shoppers.
- **Adjusted for how much they sold.** Someone with 30 sales can look extreme by luck. Their figure is pulled toward the store's figure, less as their sales grow. A gap on the adjusted figure is a steadier reason to look.
- **Two windows in a row.** A person is flagged only when the gap shows in the period you asked about AND the period before it. One bad week is noise; two is a pattern.
- **Counts beside every rate.** Every rate comes with the raw count behind it. 2 returns out of 40 sales is 5% - and still only 2.
- **A reason to look, never an accusation.** A flag says where to look first. Often there is a good reason: a regular with a senior discount, a vendor day, a training shift.

THE TEN LEAKS

1. **Discount rate per budtender** - Who gives more discount than the others at the same store and hours?
2. **Sales below cost** - What did we sell for less than it cost us?
3. **Discount stacking** - Where did two discounts land on one item?
4. **Specials that give away margin** - Does our early bird bring people in, or only discount people who come anyway?
5. **Staff discounts and hand discounts** - Who applies senior, veteran and coupon discounts more than the others?
6. **Dead and aged stock** - What stock has stopped selling, and what is it worth?
7. **Stock near its expiry date** - What expires soon, and what is already past its date?
8. **Voids and returns** - Who has more voids and returns than the others?
9. **Items per sale (missed add-ons)** - Who sells fewer items a sale than the others?
10. **Cash drawer over and short** - Which drawers closed over or short?

EVERY MONDAY

This week's three biggest leaks

The three biggest dollar leaks last week (Monday to Sunday), per store and for the business, each with what to check.

HOW IT IS WORKED OUT

- Every measure below is worked out for the week
- Each is its own figure in dollars; they are **ranked, never added** into one loss
- Stock sitting on the shelf (dead, expiring) is shown beside them, not ranked with them: it is money tied up, not money lost this week
- Write-offs and wrong prices come from the write-off and price-check answers

WHAT IT LOOKS LIKE

Quillfern, last week (invented)

Store	#	Leak	Dollars	Check
Hollin Cross	1	Special gave more than it brought	$203	early bird 7-9 against days without it
Hollin Cross	2	Hand discounts above the store's	$66	who applied senior and coupon discounts
Larkmoor	1	Add-ons not sold (estimate)	$390	coaching on the second item
Larkmoor	2	Stacked discounts	$25	senior 10% on top of bundle deals

Every name and figure here is invented.

ASK YOUR AI

Where did we leak money last week?

LEAK 1 OF 10

Discount rate per budtender

Who gives more discount than the others at the same store and hours?

What it is. How much each budtender takes off, as a share of what they ring up, against the others at the same store in the same hours.
Why it is money. Every point of discount is a dollar off every $100 sold. One budtender running 3 points above the others on $14,000 a month gives away about $420 a month.

HOW BUDTELLO WORKS IT OUT

- Customer discounts only; a staff member's own purchase is under Staff discounts
- Compared within each **hour band** (07-09, 09-12, 12-15, 15-18, 18-close): early-bird mornings are not held against an evening shift
- Each person's rate is **adjusted**: pulled toward the store's rate in the same hours, by the weight of 15 sales
- Flagged at **1 point** or more above the others, in this period **and** the one before, with 50+ sales

Set from a five-store chain's own 30 days: once adjusted, its budtenders sit within about 2 points of each other; 1 point above is the top tenth.

WHAT HIGH LOOKS LIKE

Hollin Cross, 09-12 band, last 30 days (invented)

Budtender	Sales	Discount %	Store, same hours	Adjusted	Gap	Above the others
Rowan	420	11.2%	8.0%	11.1%	+3.1 pts	$434
Ines	510	8.3%	8.0%	8.3%	+0.3 pts	-
Teo	36	14.0%	8.0%	12.2%	few sales	-

Rowan is flagged (+3.1 points, and +2.6 the month before). Teo looks highest but has 36 sales: adjusted, and too few to flag.

Every name and figure here is invented.

WHAT TO DO

- Ask which discounts Rowan applied and in which hours: **Discounts at Hollin Cross by budtender this month?**
- Look for one discount name doing most of it (a coupon, last of jar)
- Agree with the team which discounts need a manager

ASK YOUR AI

Who gives more discount than the others at Hollin Cross?

LEAK 2 OF 10

Sales below cost

What did we sell for less than it cost us?

What it is. Every sale line where the customer paid less than the item cost you, in dollars under cost, by product and store.
Why it is money. A line sold under cost loses money on the sale itself, before rent and wages. A shelf price typed wrong can do it hundreds of times before anyone notices.

HOW BUDTELLO WORKS IT OUT

- Each sale line's price after discounts against its cost on file in the point of sale
- Split into **shelf price below cost**, **discounted below cost** and **giveaways** (priced at a cent or less, shown apart)
- A product is flagged at **3 or more** lines below cost in the period

Every line below cost counts; three makes it a pattern rather than one slip.

WHAT HIGH LOOKS LIKE

Larkmoor, last 30 days (invented)

Product	Lines	Price	Cost	Under cost	Why
Pre-roll 1g, house strain	36	$4.00	$5.20	$43	shelf price below cost
Mini joint 0.5g	120	$0.01	$0.30	$35	giveaway

The pre-roll's shelf price is below its cost: a price to fix. The mini joints are a giveaway on purpose - shown so you know what it costs.

Every name and figure here is invented.

WHAT TO DO

- Check the shelf price and the cost in the point of sale for each product listed
- A cost that looks far too high is often a typing slip in receiving
- Decide whether each giveaway is worth what it costs

ASK YOUR AI

What did we sell below cost at Larkmoor last month?

LEAK 3 OF 10

Discount stacking

Where did two discounts land on one item?

What it is. Items that got two or more discounts at once, or one discount deeper than any in your catalog.
Why it is money. Each discount on its own was planned; two together usually were not. A 10% senior discount on top of a 5-for-$25 bundle takes $2.50 more off every bundle.

HOW BUDTELLO WORKS IT OUT

- Every discounted item in the period, with each discount on it
- Stacked = **2 or more discounts** on one item, or one deeper than **40%** of its price
- Extra = the money beyond the biggest single discount (or beyond 40%)
- A person is flagged at **5 or more** such items in this period and the one before

40% is deeper than every percentage discount in a typical catalog (30% off at most); almost every discounted item sits under it.

WHAT HIGH LOOKS LIKE

Hollin Cross, last 30 days (invented)

Budtender	Stacked items	Extra	Most common
Ines	40	$100	Senior 10% + 5 for $25 x38
Rowan	3	$6	one 55% discount on a $40 cart

Ines is applying the senior discount on top of the bundle deal. That is a rule question for the owner, not a budtender mistake.

Every name and figure here is invented.

WHAT TO DO

- Decide whether senior, veteran and club discounts apply on top of deals
- If not, set the point of sale so they cannot combine
- Look at any single discount past 40%: who approved it

ASK YOUR AI

Where are discounts stacking at Hollin Cross?

LEAK 4 OF 10

Specials that give away margin

Does our early bird bring people in, or only discount people who come anyway?

What it is. For each time-of-day special (early bird, happy hour): sales in its hours on days it runs, against the same hours on days it does not, and what it gives away.
Why it is money. A special pays when the extra sales it brings earn more than it gives. If the same people come at the same time either way, it is a discount on sales you already had.

HOW BUDTELLO WORKS IT OUT

- Its hours from your discount catalog (early bird 07-09)
- Days with it against days without it at the same store
- Extra sales in its hours, weighed at the store's margin, against what the special gave
- Compared only with **5 or more** days without it; when those days all come before it began, the gap also holds the season

Fewer than five days without the special is too few to say what its hours look like without it.

WHAT HIGH LOOKS LIKE

Hollin Cross, early bird 07-09, last 30 days (invented)

	Days	Sales 07-09 a day	Given a day
With early bird	30	$520	$95
Without it	12	$410	-

$110 more a day, at a 60% margin, is $66 - less than the $95 it gives. It costs about $29 a day: $870 a month. A store with no days without it is not compared.

Every name and figure here is invented.

WHAT TO DO

- Try a week without it, or with a smaller discount, and ask again
- Move it to the hours that are actually quiet
- Keep it if it is there for loyalty - and know what it costs

ASK YOUR AI

Does the early bird at Hollin Cross pay for itself?

LEAK 5 OF 10

Staff discounts and hand discounts

Who applies senior, veteran and coupon discounts more than the others?

What it is. Discounts a person applies by hand (senior, veteran, coupon, review, industry, last of jar) as a share of their sales, and staff purchases per store.
Why it is money. Hand discounts are the ones a person chooses to give. They are often right - and the easiest to give a friend.

HOW BUDTELLO WORKS IT OUT

- Hand discounts as a share of each person's sales, against the store's
- Adjusted by the weight of 75 sales
- Flagged at **0.7 points** above the store, in this period and the one before, with 50+ sales
- Staff purchases are shown per store, not per person: the budtender who rings a staff sale is not the buyer

In a five-store chain's 30 days, hand discounts ran 1.4-2.8% of sales per store; 0.7 points above, adjusted, is the top tenth.

WHAT HIGH LOOKS LIKE

Larkmoor, last 30 days (invented)

Budtender	Sales	Hand discounts	Store	Adjusted	Above the store
Marlo	610	3.4%	2.0%	3.2%	$264
Ines	480	2.1%	2.0%	2.1%	-

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WHAT TO DO

- Look at which hand discounts Marlo gave, and to how many different customers
- Many to one customer number is worth a question
- Staff purchases: compare the store's share of sales with your other stores

ASK YOUR AI

Who gives the most hand discounts at Larkmoor?

LEAK 6 OF 10

Dead and aged stock

What stock has stopped selling, and what is it worth?

What it is. Stock on hand that has not sold in 60 or 90 days, at what it cost you, with how many days it would take to sell what is left.
Why it is money. Dead stock is cash on a shelf. It does not show as a loss until it expires or is written off - by then it is too late to return or mark down.

HOW BUDTELLO WORKS IT OUT

- Last night's stock on hand, at cost
- Days since each product line last sold: **60-89 days** and **90+ days**
- Days of supply = on hand / units sold a day

60 days is the window the point of sale's slow-mover list uses; 90 days is past most vendors' return window.

WHAT HIGH LOOKS LIKE

Larkmoor, stock last night (invented)

Product	On hand	At cost	Last sold	Days of supply
Vape cart 1g, brand A	46	$644	4 months ago	none sold
Tincture 30ml	12	$216	70 days ago	840

Larkmoor holds $18,400 at cost that has not sold in 90+ days.

Every name and figure here is invented.

WHAT TO DO

- Return what the vendor will take back
- Push or mark down the rest, biggest dollars first
- Order less of the same line next time

ASK YOUR AI

What dead stock do we have at Larkmoor, in dollars?

LEAK 7 OF 10

Stock near its expiry date

What expires soon, and what is already past its date?

What it is. Packages on hand that are past their expiry date, or expire within 30 or 60 days, at cost.
Why it is money. Expired product cannot be sold. Caught a month early, it can be moved, marked down or pushed; caught late, it is a write-off.

HOW BUDTELLO WORKS IT OUT

- Last night's packages with stock on hand and an expiry date in the point of sale
- **Expired**, **within 30 days**, **within 60 days**, at cost where the product's cost is on file
- Packages with no expiry date in the point of sale are counted apart - they cannot be judged

30 days is enough time to move a package; 60 gives time to plan a markdown.

WHAT HIGH LOOKS LIKE

Hollin Cross, packages last night (invented)

	Packages	At cost
Expired, still on hand	22	$3,100
Expires within 30 days	9	$780
Expires within 60 days	15	$1,240

Every name and figure here is invented.

WHAT TO DO

- Take expired packages off the floor and decide: destroy or return
- Mark down or push what expires within 30 days
- Check packages with no expiry date in the point of sale

ASK YOUR AI

What is expired or expiring in 30 days at Hollin Cross?

LEAK 8 OF 10

Voids and returns

Who has more voids and returns than the others?

What it is. Voids and returns per person, in count and dollars, per 100 sales, and how many happened in the store's last hour of the day.
Why it is money. Most returns are honest. A return with no product coming back is cash out of the drawer; they cluster at the end of a shift.

HOW BUDTELLO WORKS IT OUT

- Every void and return at the register, with who and when
- Per 100 sales the person rang, against the store's rate
- Flagged at **5 or more**, and **2 times** the store's rate, in this period and the one before
- Rare events: read the raw counts first

Returns are rare - a five-store chain had 82 in 30 days. Five, at twice the store's rate, is past the noise.

WHAT HIGH LOOKS LIKE

Hollin Cross, last 30 days (invented)

Person	Sales	Returns	Per 100 sales	Store	Last hour
Teo	900	7 ($210)	0.78	0.30	4
Rowan	1,100	3 ($65)	0.27	0.30	0

Every name and figure here is invented.

WHAT TO DO

- Ask a manager to approve every return
- Match returns to product back on the shelf
- Look at returns in the last hour first

ASK YOUR AI

Who did the most returns at Hollin Cross last month?

LEAK 9 OF 10

Items per sale (missed add-ons)

Who sells fewer items a sale than the others?

What it is. Items per sale and the share of one-item sales per budtender, against the others at the same store.
Why it is money. The second item is the easiest sale in the store: the customer is already at the counter. A budtender selling 0.4 fewer items a sale on 500 sales leaves about 200 items unsold.

HOW BUDTELLO WORKS IT OUT

- Items per sale per budtender, **adjusted** by the weight of 40 sales
- Flagged at **0.25 fewer** items a sale than the store, in this period and the one before, with 50+ sales
- Missed $ = the gap x their sales x the store's average $ per item: an **estimate** of add-ons not sold, not money that left

A five-store chain averaged 3.1 items a sale; 0.25 fewer, adjusted, is the bottom tenth of its budtenders.

WHAT HIGH LOOKS LIKE

Larkmoor, last 30 days (invented)

Budtender	Sales	Items a sale	Store	Adjusted	Missed (estimate)
Marlo	500	2.70	3.10	2.73	$1,665
Ines	620	3.20	3.10	3.19	-

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WHAT TO DO

- Coach on one add-on: papers, a pre-roll, an edible
- Pair the person with your best add-on seller for a shift
- Ask again in two weeks

ASK YOUR AI

Who sells the fewest items per sale at Larkmoor?

LEAK 10 OF 10

Cash drawer over and short

Which drawers closed over or short?

What it is. Drawer closeouts per store and person: how often, how much over, how much short.
Why it is money. A drawer that is short a little, often, adds up. Over is a warning too: change counted wrong one way can be wrong the other.

HOW BUDTELLO WORKS IT OUT

- Every drawer closeout in the point of sale
- Listed when over or short by **$5 or more**
- Cash sales cannot be split from card sales: the sale lines carry no tender type. For one day's drops against sales, ask the cash check

Most closeouts balance to the cent; a five-store chain had 10 of 547 off by $5 or more in 30 days.

WHAT HIGH LOOKS LIKE

Hollin Cross, last 30 days (invented)

Person	Closeouts	Short	Over	$5 or more
Rowan	22	$32	$0	2
Ines	25	$8	$4	1

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WHAT TO DO

- Recount with the person who closed
- Two people at every closeout
- Ask the cash check for that store and day

ASK YOUR AI

Which drawers closed short at Hollin Cross last month?