

OCS CORE ASSORTMENT INITIATIVE

Purpose & Intro

As the Ontario cannabis marketplace continues to mature, the OCS is establishing a core assortment of products that will further drive the stability of supply for cannabis consumers and stabilize the revenue stream for Ontario Retailers. The OCS will work closely with its producers to provide stable order forecasts and reliable end-to-end product flow.

Objectives & Benefits

- Support the rapid expansion of stores across the province, by having an assortment list of stable supply resulting in stable revenue
- Increase the efficiency of new store onboarding, by providing guidance on SKUs with consistent sales
- Increase customer satisfaction & legal sales, by provides consumers with the reliability that core assortment is “Always in Stock”

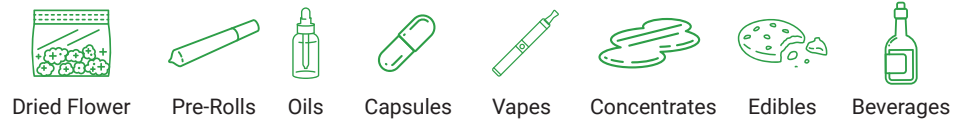
Core Product List by Store Size

- We selected 100 SKUs across varying categories to create a Core Product List that will always be in stock
- OCS & Suppliers have committed confidence in delivering 100% fill-rates for Core Products, enabling reliable product flow
- Based on POS Sales Performance, selected products are consistent performers in last quarter, reflecting proven consumer demand
- Core Product recommendations for each store size are based on consistent sales compared across both Revenue \$ and units sold
- The Core Product List will be reviewed and updated, as necessary, every 6 months based on Retailer POS Data

STORE SIZE	SMALL	MEDIUM	LARGE	EXTRA LARGE	
Average Store Assortment (SKUs)	370	515	579	700	
Number of SKUs	Recommended Core List (SKUs)	50	65	85	100
	Flower	16	22	28	33
	Pre-Rolls	12	16	21	25
	Oils & Capsules	3	4	5	5
	Vape	6	7	9	11
	Concentrates	1	1	2	2
	Edibles	8	10	13	16
	Beverages	4	5	7	8

List extends across most product categories*:

*First iteration does not include accessories, seeds or topicals



Implementation Timeline

Key Milestones

Discussions held with Licensed Producers with SKUs on initial Core SKUs.	Webinar on OCS Core Assortment Initiative.	Always in Stock commitment made to Retailers and on OCS.ca on all Core SKUs.	OCS replaces Core SKUs that can't demonstrate reliability commitment.	Core Assortment is reviewed and updated, as necessary.
December, 2020	January 8, 2021	January - February, 2021	March, 2021	June, 2021