



BRAND SPOTLIGHT

Dutchie

Leading with Technology: Helping Businesses Start, Operate, and Grow with Confidence

An interview with Sean Ilenrey, Vice President of Support at the Oregon-based tech unicorn Dutchie.

Sean went from a homeless high school dropout to an award-winning executive in tech. He has over 20 years of experience in the Customer Relationship industry, ranging from retail to technical support. In a recent conversation with Sean, we connected on how Dutchie helps cannabis businesses start, operate, and grow with confidence. We also discussed the mission and culture behind the brand, the biggest wins and pain points of 2022, and why he's hyper-obsessed with changing people's lives.

Execs In The Know (EITK): How did you come to be at Dutchie and what is your day-to-day focus in your current role for the brand?

Sean Ilenrey: For the first 10 years of my career, I was on the outsourcing side of the industry. Then, I moved up the ranks in workforce management to lead operations. There are two major things that brought me to Dutchie. The number one is that we're in an industry that is still growing, and I love that aspect. At my core, I'm a builder, and I want to be part of building world-class experiences in the canna-tech industry. Part two of the equation for me was representation. You don't see a lot of minorities or first-generation Americans in tech or in cannabis. I felt like this was an opportunity to be part of something and show others that they can do this, too.



Being part of this company is amazing for many reasons.

In terms of making an impact, Dutchie is partnered with the Last Prisoner Project, a cannabis reform nonprofit that fights to free the tens of thousands of prisoners still behind bars for non-violent cannabis charges. We put our money where our mouth is, and we donate. It feels good to be part of an effort that is making a difference in society.



SEAN ILENREY

Vice President of Support

EITK: Are there any CX trends or innovations Dutchie is currently eyeing as we dive into 2023?

Sean: Many people confuse Dutchie with a cannabis company, but we're an all-in-one technology platform powering the cannabis industry with Point of Sale, eCommerce, Payments, and Insurance. Through our technology, we're helping cannabis businesses start, operate, and grow with confidence. With software that simplifies their operations, our customers can focus on what matters most, which is bringing the benefits of cannabis safely to consumers.

In 2017, we first launched Dutchie in Bend, Oregon, in partnership with three local dispensaries. By 2018, the family had grown. With 50 stores, Dutchie closed a \$3M seed round from Casa Verda Capital and high-profile angel investors. Today, we have over 6,000+ dispensary partners and process over \$14B in cannabis sales annually, driving our mission.

Our customers really want more self-service. We are primarily B2B, though we do have a B2C market as well. Much of the time, these are dispensary folks who work at the cash registers, and budtenders who are selling products. They want the products to not only work well, but they also want to be able to train their new staff and have access to tools. In 2023, we'll be focusing on updating our knowledge base so that it's more intuitive, more informative, and more up to date, as our products change so quickly. We're finally investing in artificial intelligence (AI) and automation, which should be able to solve at least 30-35 percent of interactions between customers and our front-line staff.

EITK: How would you describe the brand's overall mission when it comes to serving its customers as it applies to CX-related technology?



Sean: It all goes back to our mission statement of providing safe and easy access to cannabis for all. Our founder created two of the early food delivery companies, one of them being Grub Canada. After selling the company, he traveled around snowboarding on every mountain imaginable. Then, one day, he landed in Bend, Oregon, and was standing in line on the first day the state legalized recreational cannabis. It was at that moment that he realized it could be done so much easier if the products were put online and people could simply put an order in and come pick it up. That's where it all began. Right now, one of the key products we're focused on is Dutchie Pay. The product allows customers to link their bank account with our system, which links with the Point of Sale (POS) at dispensaries. So, no cash is required, which

is a much more affordable, seamless, and safer experience for our customers. If you walk into a dispensary with a ton of cash, owners must pay for security to move it around. Unfortunately, dispensaries get robbed a lot, which makes it dangerous and expensive to be dealing in cash. Dutchie Pay provides additional safety measures for businesses, reduces their costs, and creates a seamless experience for both their employees and customers. It's a product we're continuing to ramp up and promote as much as we can.

EITK: In what ways was Dutchie built to continue to scale with its customers?

Sean: That's a good question, and it's the biggest challenge for us that we have not cracked the code to yet. The reason? We were originally an eCommerce company, and last year, we acquired two different point of sale (POS) companies. Of course, each company has its own set of issues because we're dealing with different technologies. Over the past year, we've been working to rewrite the code to stabilize these products. We currently have

our own Dutchie POS product that's going out, which features our own software and hardware. It is leaps and bounds ahead of what we were selling before. What I love about our POS system is that it's built for cannabis. It's not your typical cookie-cutter menu; it understands what customers want to know and it understands how we want to measure things. We understand the backend, that each state has different laws. Many of our customers operate in multiple states, which means that our POS systems must make sure the inventory management is compliant. Compliance is what keeps a lot of players from coming into the industry.

So, we're in a position where what we're doing for our customers is offering them one new tool that's intuitive and will make the backend experience much better. Our goal for the upcoming year is to make our core product the most stable offering on the market and give our customers what they'd expect from Dutchie. At this point, it's all about creating more enterprise products. We're also making sure that we're going to be ready for the day that the SAFE





Banking Act gets passed in Congress or the Senate so we'll be ready to flip those systems and customers will be able to swipe their cards with them, too.

EITK: What are some of the technology changes the brand put into place during the pandemic? Are there any innovations that have become a core part of the business?

Sean: One thing that we're still building up is our need to focus on our marketplace. During the pandemic, we started thinking about a customer-facing marketplace, because most of our eCommerce product was based on how we could help our dispensaries. However, delivery become more prevalent. With our marketplace, we're not only aiming to become the next DoorDash, but a place where people have access to a dispensary, are able to purchase, and get information and learn about products they're purchasing. We understand that our people want to move around more, they want to travel more, and when they do, they want to make sure they can get what's close by and what they love back home. We want Dutchie to be the company that can do that for them. Our

marketplace is going to be big, there's even going to be an app for it. I recently had the opportunity to sit down with our Chief Product Officer and he showed us a demo. What I can tell you is that it is very intuitive.

EITK: What aspect of Dutchie's culture do you feel plays the biggest role in moving the company forward?

Sean: As a fast-growing company, a lot of times we're in a position where so much is coming at us all at once. A year ago, we were only 350 folks and now we're at about 600. We're 100 percent virtual, though there are a few of us who work in the office. We've done a really great job of understanding that we need to have all these forums inside and outside of Slack, whether it's employee resource groups or employee engagement groups. There are different events always going on. We have mental health events as well, where you can go and practice yoga together. We're really invested in trying to figure out how to not lose our core. While we are building and moving forward, we believe in getting things done – no matter what. We still have the same culture and brand purpose we had since day one. Sure, it has evolved and it's more mature, but it still feels like Dutchie. As with many companies out there, we've made tough decisions this year, but it's still with the same north star of trying to make cannabis safe and easy for customers. Of course, to do that effectively, we have to watch our bottom line and invest in the future. If the customer effort is too high, we want to make sure it's ten times easier next year.

EITK: What would you say are the biggest pain points that you have run into over the past year as related to CX?

Sean: When it comes to customer experience, the biggest one would be the quality of our product. Last year, we were averaging about four tickets created per dispensary, per month

for our POS product. And this year, we now have that down to about 2.4 tickets. When tickets are high, customers need to reach out to us without implementing automation, there's no deflection. We still have a way to go, but we want to get it down into the ones and twos where they don't have to contact us. A lot of that was because we had to take unstable products and kind of build a backend. It's hard to see the progress sometimes because you're in the thick of it. By far, product quality has been the biggest pain point I see. The second one is organizational or operational excellence. When I first walked in the door, we were doing about 30 percent of what we shouldn't have been doing. We didn't have our employee scorecards together, we didn't know what our KPIs were going to be, there wasn't a strong coaching cadence, and our roles and responsibilities weren't really defined. The basics were missing. So, we started a project I call IMO, which is short for iMomentum. I'm a big believer that you must create an organization with momentum where it can't stop. When you do that and you have systems and processes in place, you'll be more proactive than reactive, and every issue you encounter won't stop you in your tracks.

It's a four-step process spanning 18 months. For the first 90 days, we focused on the foundation to identify the roles and responsibilities and to identify our KPIs. Ultimately, we wanted to figure out what was going to be our source of truth and that we had our standard operating procedures (SOPs) documented. The next 90 days was the master phase, where we focused on coaching and holding performance meetings to enable everyone. And the next six months are all about innovation, where we're going to be launching Chat and Email bots for customer self service. We will also be evaluating agent assist technology options. Since we now know our baseline average handle time, what we want to know next is how to improve our CSAT baseline. The final six months are what we



call the optimization phase, where we go from being a cost center to a value center. The goal being for us to well document our impact to Net Promoter Score and add value to the company's bottom line. While it's an 18-month project, it's so important to our team because we know it's going to set us up to provide that consistent experience with our customers. A lot of brands try to squeeze in some quick fixes to push things off their plate, but this is a full organizational overhaul.

EITK: What was the biggest win for the brand in 2022?

Sean: We've grown up a lot this year, and it's been very sobering. We've become more intelligent with everything we do, especially when it comes to solving our problems. I hired a workforce management team to handle forecasting, scheduling, and planning. It's hard to believe, but this did not exist previously. In addition, we now have a quality assurance department to ensure we're being consistent, and we know where to coach our gaps. Overall, we've been forced to be more strategic due to the economic environment. No one ever wants to be under pressure, but we know that pressure makes diamonds.

I'm proud to see how we're rebounding and pivoting as an organization through change. I want to make sure everyone on my team

has a career path and that we're continually developing them and paving the way for opportunities. At the beginning of 2023, we'll be launching an apprentice program that will allow our employees to do rotations with other departments. I want them to have exposure to customer success, R&D, and sales. It's a great way to give our frontline representatives an opportunity even while in their current role to get exposure across the company and feel they're part of a bigger organization instead of just support. With our array of new innovative product offerings, we can't wait to share where we're headed next.

EITK: When you look ahead into 2023, what are you most passionate about when it comes to your work?

Sean: For me, it's about seeing lives change. I'm hyper-obsessed with seeing lives change, especially because I know what it did for me. Years ago, when I worked for an outsourcer in workforce management, I relocated to Mexico. The first team I hired out there was a team of five individuals with a range of different skill sets. It was my first time being a manager and I feel like they honestly taught me more than I taught them. There was a gentleman on my team named Caesar. He had previously lived in Arizona with his wife and three kids working as an engineer making \$70,000 a year. After getting deported to Mexico, this family of five was living in a shed in his aunt's backyard. At that time, he was working in a call center making \$4 an hour.

I hired him onto my team as an analyst only to later realize that he was incredibly knowledgeable about databases. So, I promoted him to an administrative supervisor role of that team handling all credential creation for the organization. I believe he worked his way up to manager by the time I left. The last time I saw him, he invited me over to his

home, which he had built after getting stable. His kids were in a great school, he had a nice car, and he was making a life for himself again. For someone to be able to humble themselves and work their way back up is incredibly inspiring. And all of that happened within the course of about a year. I tell this story because I'm passionate about helping lift others up, even to positions higher than where I am. I want to change and impact people's lives in whatever capacity I can. At the core of everything we do here at Dutchie is lifting people up and developing them.

EITK: When you're out of the office, what brings you the most joy?

Sean: The answer to that question has changed a lot over the past year. My Corporate Dad work is filled with a lot of purpose and passion. It not only serves as a creative outlet, but allows me to impact people. I want to leave behind a legacy before I'm gone. If we don't leave something behind, it was all for nothing. I want to maximize this one life and not only live my best life but to give within my life. 🌟



Execs In The Know

Execs In The Know partners with brands that are providing outstanding customer service (CX) experiences. The Brand Spotlight Series showcases innovations and solutions to CX challenges faced by today's leading brands.

Thank you to Sean Ilenrey and the entire team at Dutchie for contributing to the Execs In The Know Brand Spotlight.

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