Cannabis is regulated more tightly than most businesses. Regulations issue from cities as well as states, and constant changes are the exception rather than the rule. This was the case even before the Covid-19 pandemic, and the situation is even more volatile now: more than 500 regulatory updates have been posted since lockdowns and quarantines began, and there were 80 updates listed in one recent 24-hour period alone.

In this mercurial regulatory environment, cannabis companies face a tremendous challenge. They must stay up-to-date on all the latest rules and regulations, even though the picture changes daily. The situation is especially complicated for multi-state operators (MSOs), which must monitor developments in dozens of jurisdictions simultaneously.

Previously, cannabis company legal teams were left to compile registries of applicable laws and regulations on their own. But over the past few months, the compliance situation changed dramatically, and for the better, thanks to an upstart technology company known as Fyllo.

Introducing the Fyllo Compliance Cloud

Leveraging its expertise in data collection and customized marketing, Fyllo has created an exciting and revolutionary suite of technology products, grouped under the umbrella of its Fyllo Compliance Cloud.

The company's automated software can rapidly and thoroughly scan cannabis laws and regulations --both current and proposed-- at the local, state, and federal levels. Fyllo Compliance Cloud users can then order customized reports that cover all the rules and regulatory edicts that apply to their products, product listings, and advertisements in the states, counties, and municipalities where they operate.

Since opening for business in early 2019, Fyllo has quickly established an impressive national presence. Founder and CEO Chad Bronstein assembled his leadership team from past business associates (Fyllo means 'friendship' in Greek), and he credits their expertise and creativeness for the success of his company. Fyllo has offices in New York, Los Angeles, Chicago, and Denver, and it even has an international office in Israel, which is a testament to the complex compliance issues cannabis entrepreneurs face everywhere.

CannaRegs Comes Online

As the industry's sole one-stop destination for up-to-date information on current regulations, Fyllo is filling a vital role in the cannabis ecosystem.

In January of 2020, they took a critical step to solidify their standing by purchasing CannaRegs, the country's largest database of state and local cannabis rules and regulations. With the incorporation of the CannaRegs database, which was officially completed in June, the Fyllo

Compliance Cloud is now more comprehensive than ever, much to the delight of cannabis companies seeking data-mining shortcuts through byzantine regulatory codebooks.

Fyllo founder and CEO, Chad Bronstein, explains how the company's Compliance Cloud can make life easier for cannabis companies and lawyers.

"[We tell them] you should license our platform because we can cut your time and research down by hours upon hours. We have an efficient technology that allows you to understand all the hyper-local environments in a quick amount of time."

The stakes here are not trivial. Growers, manufactures, wholesalers, and retailers who inadvertently violate existing cannabis laws could be fined or have their licenses revoked. What works in one jurisdiction might be prohibited in another, creating a complex landscape for MSOs in particular.

The CannaRegs/Fyllo database is powered by finely tuned artificial intelligence (AI), which scours public records published by city, county, state, and federal government agencies. In addition to creating customized lists of existing cannabis-related laws, its reports will also include information about pending ballot measures, changes in zoning laws, legal enforcement practices, new executive orders, public meeting schedules, and legislative proposals that are still in committee or yet to be voted on.

With impressive speed and accuracy, the automated system from Fyllo will produce detailed reports that provide compliance departments with the precise information they require. If it will or could affect cannabis, Fyllo Compliance Cloud reports will mention it, giving Fyllo clients the heads up about what's coming as well as about what's already happened.

Compliance Recognition Technology for Advertising

Fyllo dramatically expanded its scope by adding the CannaRegs database to its platform. But internal innovations have expanded their reach further.

In March 2020, Fyllo introduced a new addition to its cloud, Compliance Recognition Technology. This automated compliance software is built to scan all of a brand's advertising copy and imagery, plus its digital product listings, in a search for potential compliance violations.

Fyllo's Compliance Recognition Technology can scrutinize ads and product descriptions that appear on in-store digital menus or displays, on self-service kiosks, on social media sites, on websites, and mobile apps. It can even check printed descriptions on product packaging. Its compliance-programmed AI system will cross-reference content with existing regulations at the

local, state, and federal levels, and produce reports for Fyllo clients that identify troublesome or unverifiable claims.

"We've built Compliance Recognition Technology using the most advanced AI and image analysis technology to help give clients complete trust and confidence in compliance," Bronstein said. "So they can put more attention on running much bigger campaigns in better environments."

For MSOs, this type of activity is especially useful. Advertising verbiage or imagery that is perfectly acceptable in one state or city may trigger red flags in others. Before Compliance Recognition Technology, legal teams assigned to advertising might be forced to pour over hundreds of separate databases published online by different states, counties, and municipalities, looking for variations or inconsistencies. But this speedy and fully automated software can accomplish all that in just a fraction of the time.

Hyper-Targeted Marketing Through Fyllo

Taking further advantage of its expertise in data, Fyllo offers an additional solution for marketing. Its cannabis-endemic audience data marketplace provides marketers access to previously inaccessible audience data for digital advertising. The ecosystem of millions of cannabis consumer profiles in the U.S. details which CBD and THC products they tend to purchase, and the reasons they use cannabis or hemp-based products.

By partnering with the audience technology platform Eyeota, the highly detailed data can be leveraged by traditional marketers in verticals such as retail, CPG, or health and wellness to build targeted profiles and reach new audiences. For instance, Fyllo's specific audiences, such as edible, sativa or recreational purchasers, can be overlaid on traditional audiences - the hiking enthusiast, fast-food lover, or wine drinker - to create a new series of segments that resonate well with traditional audiences but also target the modern cannabis purchaser persona.

This type of information has never been made available before to mainstream marketers, as Bronstein explained in an interview on the podcast "Marketing Mix."

"In cannabis, it's been really hard to say; there's a mom with three kids, who drives a Toyota minivan, who's also eating edibles at night," he said. "It's been really hard to establish who that person is. Fyllo is very focused on allowing brands to target their consumers."

Bronstein believes that Fyllo's cannabis-derived data will help mainstream cannabis even more - underscoring cannabis use as just another ordinary thing that ordinary consumers do. In fact, Fyllo points out that more people use cannabis than use ApplePay, order groceries online, or identify as vegetarians.

"It's rare that an entirely new data set comes to market that can drive innovation. We look forward to enabling access of an entirely new data set so brands spanning key sectors can tap into an entirely new set of data attributes to drive efficiencies and enhance campaigns."

Fyllo Takes Flight - Can Help Cannabis Industry Do the Same

As one of the few recession-proof industries out there, cannabis is poised for great times in the months and years ahead. But it could be held back if it gets bogged down by the strict regulatory structure that seems designed to keep it grounded.

This is precisely the problem that Fyllo is attempting to address. Their innovative software is converting compliance requirements into a minor inconvenience rather than an all-consuming responsibility.

With its sophisticated and ever-evolving suite of data-based products, Fyllo is equipping the cannabis industry with essential tools that can increase its profitability. Its CannaRegs-enhanced regulatory database, its Compliance Recognition Technology compliance tool, and its extensive collection of vital consumer data all highlight the company's advanced information collection-and-correlation capabilities.

Companies that purchase access to Fyllo Compliance Cloud software can make real-time adjustments in their compliance practices and marketing strategies. Automated compliance lifts the burden on legal departments, cutting down on labor hours, and virtually eliminating the possibility of compliance issues slipping by undetected. Marketing campaigns can be efficiently streamlined for clients that tap into the Cloud's deep wellspring of information about consumer practices and preferences.

In cannabis as elsewhere, knowledge is power. Fyllo is offering convincing proof of the universal validity of this principle.

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