

How College Students Iron The Wrinkles In The Cannabis Industry



College entrepreneurship programs are encouraging students to disrupt the cannabis industry; so the time is now to do so.

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College students have cultivated their own cannabis businesses since the beginning of time, jokes Craig Markovitz, assistant teaching professor of entrepreneurship at Carnegie Mellon University's Tepper School of Business, making light of the copious amount of marijuana smoked as privately as possible.

But when Markovitz was asked about cannabis in the context of entrepreneurship, he starts talking faster. "There's an

extraordinary amount of emerging growth and opportunity to take advantage of. From a growth perspective, it's unique. Every day, you read news about innovation and regulation that will impact the industry," he said.

Markovitz thinks college students (even undergraduates) are uniquely poised to uncover – and plug – the holes in the cannabis industry. In his time at CMU, Markovitz has witnessed 300-plus startups raise more than \$2 billion in the last decade, with the Swartz Center for Entrepreneurship working with approximately 400 entrepreneurs on more than 80 startups at any given time – which includes cannabis-related heavy hitters.

Savvy entrepreneurs know that 11 states (plus Washington, D.C.) have legalized marijuana for recreational use for adults over 21. Additionally, 33 states have legalized medical marijuana, so there's tremendous growth opportunity within the industry for young people to lead the revolution, of sorts.

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The floodgates are wide open for job creation as well. Cannabis job opportunities – from budtenders, to those in the insurance industry – increased 79 percent between 2018 to 2019 alone. Leafly's 2019 Cannabis Jobs Count reported that cannabis directly employs more than 211,000 full-time workers in the U.S., and even more indirectly. By 2021, 400,000 new jobs will appear in the U.S. in the industry, according to Business Insider.

Karson Humiston knows the job stats like the back of her hand – it's why she created Vangst, a cannabis recruiting platform. Vangst has connected over 10,000 candidates with cannabis jobs through direct hire, career fairs, a job board and more.

"Vangst provides talent acquisition services by sourcing the best in the biz for our client's needs," Humiston said. "Vangst catches the best talent for our clients. I'm part

Dutch, so Vangst is both a part of my heritage and representative of our mission,” she added. Vangst means “to catch” in Dutch, so the company’s meaning is twofold for Humiston.

It’s a multimillion-dollar company – and Humiston created Vangst during her college years.

Humiston saw a gap in the cannabis market while a college student at St. Lawrence University. After visiting a cannabis trade show in Colorado, she noticed that cannabis businesses reported hiring as one of their greatest pain points. Humiston’s attitude was, why wait?

“I’m an entrepreneur at heart, so any time is the right time to execute a good idea,” she said. “I seized the opportunity to provide a solution to this issue by developing a comprehensive hiring process specifically for the cannabis industry.”

Why College Is The Best Time For Cannabis Entrepreneurs

Katie Peranick, a 2019 graduate of Fresno State University and entrepreneur focused on digital media, said college happens to be the ideal time to make accomplishments happen because there’s much less pressure for immediate success. “Everything is counted as a learning opportunity and experience,” Peranick said. Peranick has had the opportunity to partner with an accelerator program focused on legal cannabis and CBD over the past two years. She’s partnered with 420interactive to provide digital media services to the cannabis and CBD industry. Peranick saw a major need for advertising and marketing due to the roadblocks put in place by major advertising platforms like Google and Facebook.

“There is also the ‘student card’ that can take you pretty

far. When doing outreach or research, I always led that I'm a student working on a new project. Everyone wants to help students succeed, and college entrepreneurs can use that to their advantage," Peranick said.

Fresno State offers an entrepreneurship department and a community dedicated to helping young entrepreneurs succeed. Professors themselves can offer students hands-on experience starting and exiting business ventures, as well as offering a mentorship program that partners business owners with students.

"Overall, college can give you a great support system and a valuable network within the local business community," said Peranick.

It's this "Why the heck not?" attitude that Craig Markovitz says makes college students more than ready for cannabis entrepreneurship opportunities. He says students have a special quality going for them: They're nimble enough to adjust to just about anything. "They can move more quickly, they can adapt, they're informed, it's perfect. If you can interpret and process the opportunities in the industry and be nimble, you're set up to on a pathway to establish your stake," he said.

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Meeting Changing Needs

College entrepreneurs take note: Read up on the latest news every day, because one day in the cannabis industry is like one year in any other industry. Blink once, and you might miss something.

"If there's one thing I've learned being in the cannabis space, it's to stay on your toes," said Mike Mejer, founder and CEO of Green Lane Communication, a PR firm that helps

businesses in the cannabis space. Mejer will graduate with his MBA in marketing from Molloy College in Hempstead, New York, in 2020.

Vangst employees have stayed nimble. When they discovered the need for access to temporary employees during high-traffic seasons and harvests, it was clear to Humiston that Vangst needed to be part of the solution. “We created the industry’s first fully-compliant contingent employment platform, Vangst GIGS. We have access to the largest pool of cannabis talent in the industry and offer the first fully-compliant gigs platform, which allows us to fill the previously unmet need of the industry,” Humiston said.

Navigating Rules And Regulations

Markovitz says the cannabis industry’s industry’s regulatory environment is unique, so college entrepreneurs should watch it like a hawk. She added, “if they don’t, they could get blindsided by some sort of regulatory change that screws them over. You’ve got to be informed about what’s going on from a regulatory standpoint,” he said.

The Farm Bill Act of 2018 foreshadowed explosive growth for hemp-containing products, including CBD, in the coming years. However, most cannabis-derived products, including CBD, are still illegal under the Federal Food, Drug and Cosmetic Act. Marijuana-containing products also remain illegal under the Controlled Substances Act. It’s a dissonant collection of laws for the budding industry.

And, although Karson Humiston and Vangst isn’t a plant-touching business, she does concede that these restrictions affect her clients. She says she and her team are well-versed in the legality of each state so they can properly vet the talent for each individual client.

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Gain Traction

“Traction” is a Markovitz buzzword. He says it’s all about painting a compelling picture for a potential investor who’s asking, “How risky is this? How much risk am I willing to assume to get into this relative to my return?”

So what’s the secret sauce for college cannabis enthusiasts-turned serial entrepreneurs?

In short, Markovitz says the secret is to position solutions, build a prototype, raise money and be able to say, “We’ve done it, we’ve validated it, it’s not theory, we’ve accomplished this. 75 percent of companies don’t generate a return. Investors are looking for that 25 percent.”

Oh, and he adds that building a team of smart, passionate, hardworking and ethical people is just as important, because you’ll spend more time with them than your family. Markovitz added, “I believe startups in this space would be best-served by a combination of an experienced team, deep industry expertise and evidence of the impact of a solution via a pilot or similar MVP strategy. If you have great people working on progress and just keep knocking down milestones, you’ll keep moving forward.”

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