- [Narrator] Goals of the section. Experts should be able to accurately and efficiently express themselves within the larger race community. To do so, an expert must be able to, describe the components of the cannabis risk management framework or CRMF, understand the vernacular used to describe and implement the CRMF, and understand how the CRMF and risk program are related. Many businesses operating in dynamic environments such as commercial cannabis businesses use risk management principles to assess risks while seizing opportunities to achieve overall business objectives. A cannabis risk management framework is used to satisfy these objectives because it is a formal plan for risks and opportunities to be identified, analyzed, and influenced within the context of business objectives. It allows a commercial cannabis business to make informed decisions that either reduce the maximum impact of risk or increase the reward for taking on reasonable risks. For example, when you have to transport your cannabis product to another entity, consider where the free on board, FOB, will be in the transportation cycle and determine if you carry the correct insurance if the cannabis product was destroyed in transportation. This can reduce the maximum impact of the risk. Take packaging and labeling as an example of increasing reward. Prior to selling the cannabis product to the consumer, it must be packaged and labeled. The licensed vendor in the supply chain with the most experience, highest volumes, and most comprehensive procedures for packaging and labeling is likely to find the best rate and comprehensive insurance. Offering this service to your buyers may increase your revenue streams without increasing your risk substantially. Finding this service as a seller may decrease your costs or risk. There are six components of the CRMF. Internal control environment, risk assessment, control activities, information and communication, training, and assurance. All components of the CRMF must be present throughout the risk life cycle of the commercial cannabis business so that risks can be adequately managed, but the order and emphasis placed on each component will vary from one business to another. Further, the maturity of the risk program will vary across commercial cannabis businesses, depending upon whether the program is just being developed, or whether it's already in place but maturing as the commercial cannabis business's strategic objectives and complexity change.