

## THE CHALLENGE – JULY 2018

**3 Sprouts unique child friendly products have gained critical acclaim. However they were missing out on revenue due to not being able to properly forecast demand. Lokad’s unique approach to forecasting helped them find a way to eliminate outages whilst maintaining competitive stock levels.**

Based in Toronto, 3 Sprouts was created by three friends who share a love of babies and unique modern products. However, their management software didn’t offer a tool able to forecast demand adequately, which resulted in stock outages for a number of key products. As a result, 3 Sprouts were on the hunt for a solution which could help them take advantage of the growing enthusiasm for their products and keep up with demand.

With two warehouses in the US and Canada, 3 Sprouts were struggling to manage demand and, with an extra warehouse planned to fulfill international interest, it felt like control of their supply chain was slipping away. They needed a way of coming up with smart purchase order suggestions through a solution suitable for a company of their size. They found the enterprise solutions available were only appropriate for much larger companies and not affordable due to high up-front implementation fees.

*“Lokad possess a highly knowledgeable team who were able to customize the software to our exact needs. When you’re trying to expand and grow, Lokad gives you an easy and sophisticated way of managing purchasing decisions.”*

**Banu Khurana**  
Co-Founder  
3 SPROUTS

## IN A NUTSHELL

### WHY LOKAD

An affordable way of accessing modern forecasting technology

- Zero set up costs

- No commitment solution provided at a fixed monthly fee

- Collaborative and flexible approach

### OUTCOME

- Accurate prioritized purchase lists at SKU level
- Facilitated easy dispatch decisions between locations
- Facilitated growth and new warehouse integration

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Stockouts over the last six months for products with a sales history

- Increased productivity, reducing to a few hours what took days
- Modernized business processes
- Used daily for purchase and monitoring



Lokad on the other hand offered a sophisticated solution for a reasonable, no commitment, monthly fee.

## A TAILORED APPROACH

With sparse demand patterns for certain SKU's and varying supplier lead times, forecasting was inherently complicated for 3 Sprouts. This was combined with the added complications of MOQ's and container batching constraints.

3 Sprouts needed a knowledgeable team and a flexible solution that would adapt to their unique requirements. Lokad's tailored approach was a perfect fit. By leveraging the capacities of Lokad's very own programming language, Envision, they were able to implement logic which utilised key business rules.



The implementation is orchestrated by a dedicated Supply Chain Scientist, focused on gaining a deep understanding of the customer's business and data. Lokad was able to produce prioritized purchase lists to improve and simplify the purchasing process, as well as dispatch suggestions to ensure stock was optimized per location for each individual SKU, with appropriate costs attached to moving goods. On top of that, Lokad produced several reports to help monitor

the performance of the inventory more effectively. These suggestions are used regularly by the purchasing team, whilst business development managers and partners alike use the reports to inform strategic decisions. Not only was the solution an improvement in terms of accuracy and control; it has also **dramatically improved productivity, reducing what was previously days of work to a few hours.**

3 Sprouts also discovered that much more could be done with the Lokad solution and it facilitated a number of other projects. The implementation of a new purchase order system was made much smoother due to the software's capabilities, whilst ranked lists were created to inform which references to phase out to ensure the business was acting in an economically efficient manner.

Thanks to Lokad's collaborative approach, 3 Sprouts have had access to a team of experts who have helped overcome a range of supply chain challenges - a valuable commodity with the resource pressures of a growing company. Since becoming more familiar with Lokad, 3 Sprouts have improved their own internal knowledge and capabilities, allowing them to focus on what they do best: designing new products for the delight of children and parents alike.

*"We didn't have to touch any data on our side. Lokad was able to make all of the adjustments required and produce reports that gave us an up to date overview of all our key information. It took time to understand the methods used, but the solution has gained our complete trust and we are often amazed by the 'slightly scary' timing of some of the purchase suggestions."*

**Banu Khurana**

Co-Founder at 3 Sprouts