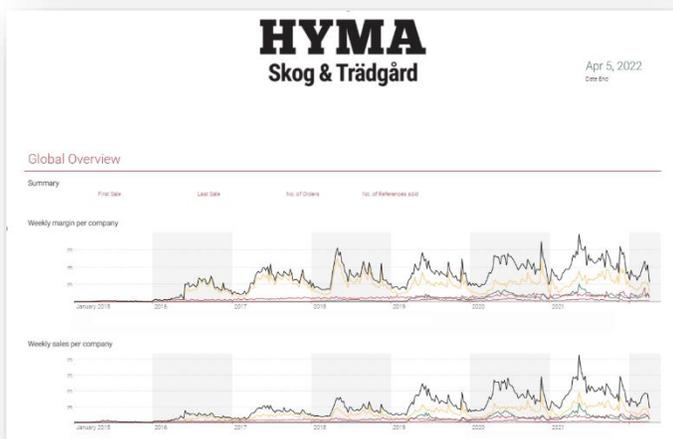


## Scaling together: 2018 - Present

In 2018, Lokad started to work with HYLTE Jakt & Lantman, at the time, a family-owned outdoor equipment specialist based in Sweden. At this point HYLTE had started its growth journey from physical retail to e-commerce and Anders Carlsson who had recently become CEO, was driving a push for digitalization and data-driven decision making.

Only 4 years later, the 110-year-old tradition retailer had acquired several businesses under the new brand name HYMA Skog & Trädgård, operating multiple locations and driving its revenue mainly through e-commerce, offering hundreds of thousands of products.



Screenshot: Exemplary KPI Dashboard

The first step of the collaboration was the establishment of a reliable data pipeline, meaning, a push of all decision-relevant information daily (i.e. sales, purchase history, stock levels, catalogue etc.).

## IN A NUTSHELL

### WHY LOKAD

Automated decision making integrating historically evolved constraints

Supply Chain Scientists as sparring partners that translate visions into code

'Can do' attitude

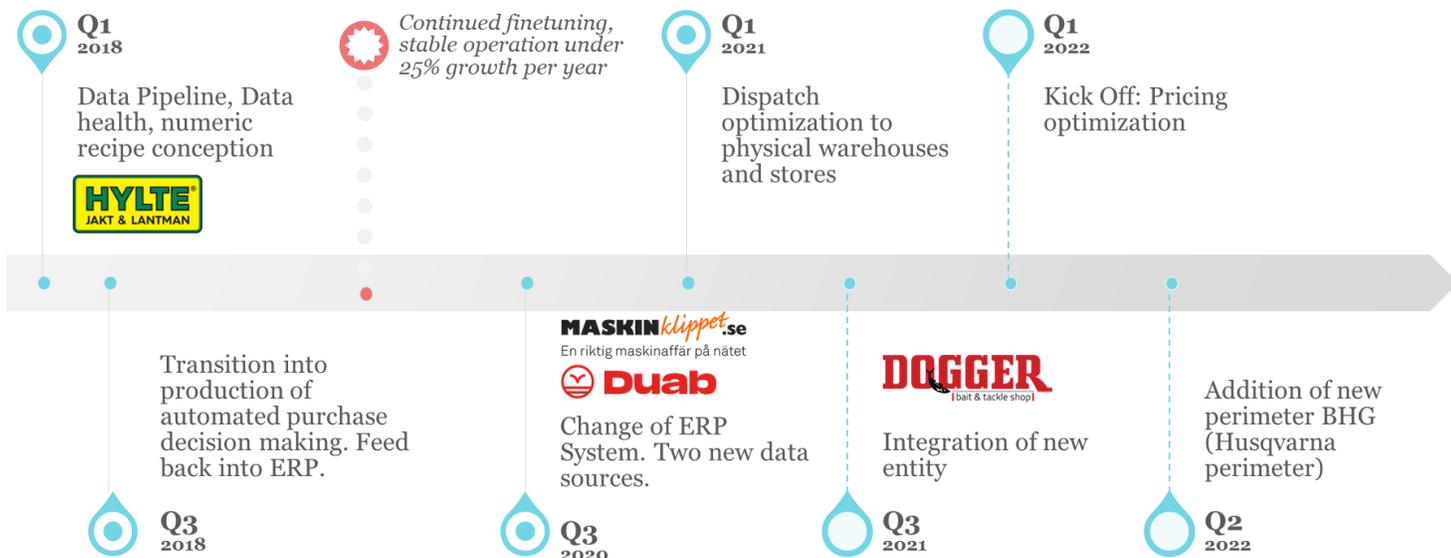
### OUTCOME

- Daily Purchase recommendations
- Daily Dispatch recommendations
- Data organization and integration from multiple sources
- Up to 60 users annually, daily visits

**4x**

Quadrupling of Revenue and stock in 4 years handled without friction

Then, Lokad's Supply Chain Scientists, together with HYMA's experts, developed a numeric recipe that was capable of imitating human reasoning in the decision-making process, and thus, laying the foundation for growth. Outdoor business being seasonal, significant effort was put into understanding the underlying business cycles not only from a demand side,



but also from a supply side. With shipments coming from far East, an evaluation of lead time uncertainty and automatic integration into the decision-making process was essential for a robust set-up. Resilient, yet flexible enough to remain relevant even in times of extreme environments (automatic lead time adjustments after global shortages). The forecasting and purchasing logics were continuously challenged and adapted keeping the numerical representation of the supply chain aligned with reality.

A critical success factor for this continued alignment was also the change in IT environments on HYMA's side. In Lokad's experience moving a warehouse physically is a simpler task than changing the underlying IT-infrastructure. In that regard, the continuous operation during ERP changes that required code adaptation, was a success in itself. The flexibility that the tailor-coded approach provides meant that it could shine

again in the following years with the integration of further companies with differing IT-set ups.

In operation for several years, Lokad does not substitute human intelligence, nor does it replace purchase managers. However, leveraging automation and advanced algorithms, the software enhances the capacity and provides more valuable insights to make the purchase managers work efficiently and accurately enabling growth without an explosion in headcount.

Going to the decision level instead of providing KPIs and leaving decisions to humans requires **perfect data interpretation**. While data is never as complete as decision makers might hope for, when going to the decision level i.e., how many units to purchase, data needs to be understood and assumptions need to be made. Sales history is often incomplete – that's a fact and yet, decisions still have to be

*"Moving a chainsaw from one location to another may require a good breakfast, however, having the sales history of this item mapped correctly for different companies with different codes is the real challenge."*

**Basile Perraudin,**  
Supply Chain Scientist Lokad

taken. As a consequence, Lokad has become the source of truth for differing departments at HYMA as the data semantics are continuously challenged.

Even after several rounds of finetuning, the solution is still evolving into directions where it adds value. Whether this may be the adjustment of existing optimizations (Purchasing/Dispatch) and KPI dashboards or plain and simple support in ad-hoc analytics. Lokad's supply chain scientists have together optimized 100+ supply chains and are responsible for billions of Dollars of stock movements daily. This makes them very valid sparing partners also for experienced business leaders that just want to challenge a new idea – It took Lokad just a few days to design an ad- hoc analysis to evaluate the rotation and support the correct placement of high runners.



Over the years, a relationship of trust has developed and Lokad and HYMA are starting to work on more advanced topics that may have an even more significant impact on the company's strategic future. Namely, Lokad has started to drive HYMA's pricing strategies starting with a mere harmonization of pricing at group level and moving into more advanced strategies as operations mature.



*"First, I bought some literature to build it myself and when googling for Matlab functions on supply chain optimization - that's where I found Lokad - these guys made exactly what I was looking for - but way better! Now we have implemented the service into our business and use it on a daily basis to optimize and make purchase decisions!"*

**Anders Carlsson**  
CEO  
HYMA