Editorial

Lokad was founded with the ambition of delivering better forecasts to companies of any size. With the release of quantile grids [#grids], the third generation of our forecasting engine, we remain very much in line with this vision as we refine, yet again, our state of the art technology for inventory forecasting. However, statistical forecasting alone does not naturally produce better reordering decisions, and the extra technological capabilities that we have introduced over the years have been extensively redesigned to work much better when used together [#unification]. However, Lokad is far from being the only fast growing commerce-centric software company out there. Our integrations [#integrations] ecosystem is expanding to support some great apps that can be further enhanced by Lokad’s offering. Finally, thanks to our first integration with a competitive price monitoring app [#intelligence], we hope that Lokad-powered merchants will not just be outservicing their competition in terms of inventory, but will outprice their competition as well.

Quantile Grids

Delivering better forecasts has always been the core focus for Lokad. In February 2015, we unveiled the third generation of our forecasting technology based on quantile grids. In layman’s terms, quantile grids demonstrate an unprecedented level of performance which means that your company can service more clients, more reliably, and with less inventory.

Unlike all the existing forecasting methods available on the market, quantile grids do not provide just one demand forecast per product, but rather provide the entire probability distribution for (nearly) all possible futures. Quantile Grids are made possible through the combination of Machine Learning, Big Data, Cloud Computing plus some commerce-driven insights.

With quantile grids, it also becomes possible to design purchase prioritization strategies that deeply embrace both the opportunities and the risks associated with the ownership of inventory. Quantile grids reframe the supply chain challenge by lowering purchase errors measured in dollars instead of merely lowering the percentage of forecasting error (classic viewpoint). . In particular, quantile grids are especially good at accommodating supply chain constraints such as container shipments, minimum order quantities, expiry dates, etc.

You can read more about quantile grids here  
<http://blog.lokad.com/journal/2015/2/27/forecasting-30-with-quantile-grids>

Bringing Lokad’s apps together Lokad’s capabilities have been growing through the launch of distinct and independent apps named Salescast, Priceforge and BigFiles, which were designed to deal with inventory forecasting, pricing optimization and file storage respectively. While Lokad becoming more powerful was a good thing, user experience had become quite fragmented; and leveraging all these separate apps simultaneously was not a trivial task.

As a result, in late 2014, we decided to merge all the aforementioned apps to be simply known as “Lokad”. Under the hood, we started to revise everything in our system so that Lokad would behave as a single app where all the different parts are meant to work together. As of the beginning of the second quarter 2015, this process is nearly complete. In just a few clicks, it is now possible to import your business data and to generate built-in reports aimed at optimizing stocks or prices.

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Our pricing has been revised too. We now have flat monthly service plans https://www.lokad.com/pricing that are based on annual business sales volume. Lokad remains entirely free for businesses below the $450,000 revenue mark, and above that figure our basic plan starts at $150 per month. All features are included in *every* plan.

Commerce analytics

Commerce optimization is a game of numbers, and Lokad now has more capabilities than ever to crunch those numbers. Lokad features power dashboards that can perform any calculation you could think of in Excel, except that all the data plumbing is taken care of. In order to achieve this, we have developed our own tiny domain-specific programming language named Envision. This language is accessible to anyone with decent Excel skills. All the dashboards delivered by Lokad are actually implemented through this language.

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In fact, we have realized that most of the fastest growing merchants do not dodge but rather embrace “programmability”. Without smart automation, it is not possible to remain business-smart and highly productive when handling thousands of products, thousands of clients, dozens of suppliers …

In Lokad’s new Commerce Analytics section https://www.lokad.com/commerce-analytics, you will find extensive guides and tutorials to help you get started with Envision. All the integrations that we support also get their own set of built-in dashboards that you can use out of the box, and possibly extend as you see fit later on.

More integrations

Lokad is already natively supporting Brightpearl, Linnworks, Tradegecko and QuickBooks (through Webgility). Over the last few months, we have extensively revised and improved these connectors. Simply put, instead of merely retrieving “just enough” data to forecast inventory, we are now retrieving a much wider range of data to power all kinds of interesting commerce analytics.

The connector list is getting longer too. We are very happy to count Unleashed Software and Vend among our latest integrations. Unleashed is an online inventory management software with extensive capabilities, and Vend is a super smooth POS (Point of Sale) software.

Lokad’s teams are also actively developing two additional connectors, one for StitchLabs and the other for SkuVault, both of which are really cool apps too. Don’t hesitate to contact us (you can reply to this email) if you wish to be among the first merchants to benefit from using these new connectors.

Competitive price monitoring with Competera

Up until now, merchants using Lokad for pricing optimization were typically bringing their own data as far as competitor prices were concerned (Lokad carried out the pricing optimization, but not the monitoring of competitors). Lokad features a file-sharing service with FTP/SFTP access, so it is typically “simple enough” to import this type of data, however, the whole process felt a bit clunky to us.

Consequently, we decided that Lokad had to do better. Thanks to the support of the Competera team, we now have a built-in integration for a competitive price monitoring app. Provide Competera with the domain names of your competitors, the domain name of your own store, and Competera will begin extracting prices right from the web. Competera takes care of generating a price matrix where each one of your products is matched with the prices of your competitors. Competera works pretty much like Lokad: no software to install and a monthly subscription. You can get a free trial and a demo as well.

By combining Competera and Lokad, it now becomes possible:

* to stop wasting time with manual and infrequent competitor surveys
* to monitor how your market share reacts to competitors' pricing moves
* to design pricing strategies that leverage both in-house data and competitors' data
* to fine-tune the trade-off between profitability and growth

The Competera team is here to deliver all the support your company needs as far as monitoring your competition is concerned. In turn, Lokad is here to turn this data into better margins, better stocks and more growth depending on your strategic targets.