

# Michael Feindt

TRATON Logistics  
Leader of the Year | 2021



*“Even today, money is not the primary motivation for me”*

The master of elementary particles welcomes visitors in a plain 20-square-meter room: desk, computer, a dozen books. Prof. Dr. Michael Feindt's office on the second floor of the light-flooded glass building of the software company Blue Yonder in Karlsruhe, Germany, resembles that of an accountant. There is nothing to indicate that someone who is considered by many to be one of the world's leading physicists and experts in data-driven software development is thinking and directing here. The TRATON Logistics Leader of the Year 2021 does not like it magnificent.

Nor does the scientist with the square black glasses stare into his computer, as one might expect. He writes with a ballpoint pen in a black DIN A4 notebook with check paper: sentences, numbers, formulas. Double Dutch for any math high school graduate - and even studied people loose track after a few lines. "I can only talk about this content at all with two colleagues in the company," the 63-year-old explains with a smile.

Half of Michael Feindt's life is in the contents of these DIN A4 notebooks. He has written dozens of them. In principle, a large part of the company he founded, Blue Yonder, which now has a turnover of more than one billion US dollars, is based on ideas from these notebooks.

Numbers, formulas, results on white checkered paper. Even as a physics student in Hamburg, Feindt was fascinated by data analysis. He quickly completed his doctorate. Then he burrows into research work in Geneva for six years. The researcher experiments in the world's largest particle accelerator laboratory at the European Center for Particle Physics CERN. The word B\*\* mesons appears in his notebooks. He is the first scientist to succeed in experimentally detecting these particles. The gray eminences of the elementary particle physics world take notice of him. Deciphering huge amounts of data and

extracting scientifically relevant information from it is not just his job, but his passion.

In 1993, long before the word big data was on everyone's lips in science and business, the Berlin native trained his first neural network on a computer. To put it simply, algorithms act in a similar way to neurons in the human brain and process information. The physicist says his "pronounced curiosity" and scientific ambition drove him to peak performance - not the pay for his job. "Money is still not the primary motivation for me today," emphasizes the man who became a millionaire with the success of Blue Yonder. In 2000, his thirst for knowledge drove him to invent an algorithm. It is called NeuroBayes. It is used to predict future events by learning from samples of past occurrences.

Curiosity is Feindt's never-ending fuel. "But only the freedom I got as a researcher allowed me to focus intensely on my topics," he explains. When the conditions at CERN did not match his ideas, he also took the chance in 1997 to apply for the professorship of Experimental Nuclear Physics at the University of Karlsruhe, now the Karlsruhe Institute of Technology (KIT). The fact that he was selected as the top scientist over other applicants surprises no one in the physics scene.

In addition to research - he is the author or co-author of more than 1280 scientific publications - he is also enthusiastic about teaching. He receives several awards for this - including the Baden-Württemberg State Teaching Award. He particularly enjoyed the Data Mining Cups, in which he regularly participated with his students. In what was then the world's largest competition for intelligent data analysis and prediction, Feindt's team won awards for many years - for example, first place for predicting the prices of Ebay auctions in 2006.

The freedom-loving researcher takes a new direction again in 2002. He ventures out of the tower of science and founds the company Phi-T. His master plan: He wants to professionalize the NeuroBayes algorithm and apply it in companies. For Feindt, science and business are not mutually exclusive. Many of his colleagues shake their heads. In fact, someone like Feindt is an outsider in the economics world in the 21st century. Statistics show that only about ten percent of all start-ups are founded at a college or university.

Even in the business world, some managers are smirking about the professor who knocks on the doors of the top corporate floors without a suit and tie. He is let in because the top managers see dollars in their eyes when they see the savings evaluations that his software achieves in the field of merchandise planning, for example. They open their ears when he talks about machine learning and predictive analytics. But Feindt is not only a bold entrepreneur, he's also a busy one. He has given nearly 400 talks to date. "Some even with a jacket, so that the board takes me seriously right away," he says with a smile. More and more companies are taking him very seriously. The traveling professor takes the liberty of presenting his algorithmic skills in a wide variety of industries - in retail, in banks, in insurance companies. He's even making clever use of artificial intelligence in the stock market. Eventually, he stays with retail supply chains. The smaller the margins, the greater the willingness to listen to him.

In 2008, Feindt founds Blue Yonder together with the board of the Otto Group. He and his team deal with the prediction of customer decisions. At Otto, they manage to reduce the average delivery times of two million items on the online marketplace by using AI - from five to seven days to two, sometimes as little as 24 hours. Managers at other retail chains are also turning to software made in Karlsruhe.

Their motivation is easy to explain: The multitude of factors that can be expected and interact with each other is not manageable for the best industry professionals. Location factors, days of the week, weather conditions, seasonal influences, competitors' discount campaigns, delivery times and many other factors determine which products are in demand. The crux of the matter: If too little merchandise is stocked in the stores, this leads to a loss of sales. If too much is stocked, values have to be written off. Tons of food spoil in supermarkets. Feindt and his team have devised software that combines more than 200 influencing factors per forecast. The tool is used for pricing as well as for planning. Decision-makers in the purchasing and SCM departments of large retail chains are just as impressed by

the software's users as the Logistics Hall of Fame jury of top logistics experts, who voted Feindt TRATON Logistics Leader of the Year 2021. Feindt, a physicist, is leaving a lasting impression on logistics minds.

After his initial successes in the market, the man some revere as the Pope of Pricing wants to take on new orders. But managing director Uwe Weiß, whom he hired himself, warns the professor: Please don't get bogged down. Feindt listens to him. From now on, the joint credo is: focus on one solution. "Uwe Weiß was right," Feindt concludes today.

The path goes steeply upward. Over time, Blue Yonder not only acquires new customers, but also the private equity specialists Warburg Pincus cooperates. In 2018, the SCM software specialist JDA from the USA then takes over the company, and in 2020, JDA is renamed Blue Yonder. The supply chain community looks to Karlsruhe. The success story continues. Panasonic is interested. In spring 2021, the media are full of the news that the Japanese corporation wants to take over Blue Yonder completely.

1000 billion forecasts have been made by Feindt's software to date. Many more 1000 billion will follow. From a purely financial point of view, Feindt could retire now. But he is happy to continue working as a strategic advisor for Blue Yonder in his 20-square-meter office - only without the pressure of having to find customers. In the meantime, the company already has more than 3,000 - and the number is growing.

If you ask the scientist why he was able to inspire employees with his ideas, he also mentions the word "freedom". He is not a controller, he says. Nor does he think much of hierarchical behavior - he relies on team performance and likes to learn from others himself. Fellow scientists who use their elbows to make a career for themselves accuse the physicist of avoiding conflicts. Feindt doesn't make enemies, they say. "I see this weakness as one of my strengths. Because I don't waste energy unnecessarily on trivialities," Feindt emphasizes.

The successful entrepreneur does not yet know whether he will return to university for a few more years. At the moment, he enjoys not having to think about the company around the clock. The father of two relaxes with his wife by taking long walks, eating good food and reading books. "I enjoy reading crime novels as much as good technical essays when I'm on vacation," Feindt reveals. Occasionally, after reading, he jots down a few numbers, notes and formulas - in the latest black DIN A4 notebook.

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