



## How Group Chat Software Boosted Lawson Products' Sales Rep Productivity

by Mike Hockett

Today, everyone is familiar with instant-messaging (IM'ing). In its infancy, IM'ing became predominantly used among teenagers in formats such as AOL Instant Messenger and online chat rooms.

Things have certainly changed.

While mobile texting and social media network messaging have all but replaced those old IM'ing services (AOL officially discontinued its Instant Messenger on Dec. 15 this year after a 20-year run), the practice is now commonplace for business communications. Group chat platforms such as Slack and HipChat are used in office settings as a means of quickly sending messages and file sharing in a way that doesn't clutter email inboxes.

Industrial distributors can take advantage of this.

At Chicago-based MRO products distributor Lawson Products — No. 37 on Industrial Distribution's Big 50 List — usage of group chat has directly led to increased productivity for its team of sales representatives.

Lawson — which has grown its average daily sales by 7.0, 8.2 and 9.5 percent on a year-over-year basis in its first three quarters of 2017 — has recently been using Microsoft Teams, a group chat software launched this past spring. With all Lawson's reps using the chat, it essentially means that each individual rep potentially has the collaborative resources of hundreds of other Lawson reps to help a customer or solve a problem.

"It's so incredibly powerful," Lawson president and CEO Michael DeCata told Industrial Distribution in a recent interview. "A rep can ask a question to our rep community, and in short order, they're going to get an answer from someone."

DeCata said he'd been trying to solve the issue of translating technical knowledge between sales reps ever since he worked at General Electric Utility and Industrial Sales in 1986. Knowledge and terminology can vary greatly between experienced and newer sales reps, and especially between reps of different product categories. And doing it very quickly is a challenge by itself.

"This just-in-time knowledge is extremely important," DeCata said about Lawson's MS Teams usage. "Our sales reps believe cross-pollinating ideas between customers is a tremendous value-add that they provide to our customers even in unrelated industries. One customer might be in food and one might be in transportation. Think about how helpful that is for the rep and how valuable it is to a maintenance mechanic, to have fast access to the knowledge of 1,000 reps. They are along most of the time, so this is like having 1,000 reps with you."



**Michael DeCata**  
President and CEO  
of Lawson Products

DeCata said his reps post hundreds of high-level questions to its MS Teams rep community each day, with most questions along the lines of, 'I've got this question from a customer and need to solve it.'

In an age where speed is everything, such a network figures to be very beneficial for distributors, even if their rep count isn't near that of Lawson's, which was 988 as of its Q3 earnings report in October.

Increasing sales rep productivity has been a key pillar of Lawson's overall growth strategy, and the company has certainly succeeded in that aspect. Lawson reported that its sales rep productivity increased 11 percent year-over-year in Q3, with sales per-rep per-day up 1.4 percent (over Q2). The company's Q3 average daily sales grew 9.5 year-over-year, surpassing the 8.2 percent growth in had in Q2 and 7.0 percent growth in Q1.

Lawson has grown its rep count considerably in recent years as it continues to aggressively expand. Its Q3 acquisition of Calgary, ON-based The Bolt Supply House was Lawson's fifth acquisition in 24 months, adding 27 reps to the fold.

"The consistent improvement in our financial performance is attributable to the increased productivity of the sales force, recent acquisitions, and the improving MRO marketplace," DeCata said in the company's Q3 earnings report.

Distributors looking to increase the productivity and problem-solving abilities of their sales reps should consider taking a page out of Lawson Products' playbook by using group chat software.

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