

THE RULE OF 7+

How building your sales around
proactive business development
leads to millions in revenue.



— TABLE OF CONTENTS —

1 INTRODUCTION

2 WHO WE ARE

3 AN INDUSTRY DISRUPTED

5 INTRODUCING **THE RULE OF 7+**

10 OUR ANALYSIS

11 THE RULE OF 7+

18 HOW TO APPLY **THE RULE OF 7+**

INTRODUCTION

A FEW YEARS AGO, MY TEAM UNCOVERED A DREAM LEAD FOR ONE OF OUR CLIENTS IN A DOWNTOWN, MAJOR MARKET.

The prospect had the power and potential to do wonders for our client, an organization managing a group of hotels. We're talking 2,000 room nights during a time when this property had capacity and need for reservations.

The only catch? It was a year away from materializing.

Nevertheless, we were thrilled. Our team wholeheartedly recommended our client nurture that relationship and hold onto that business when the booking came in 12 months' time because it held immense promise for sustaining their sales.

Unfortunately our client didn't share the same enthusiasm. Our partner's sales and marketing director sort of shrugged it off—she wanted sales now.

We've lost count of the times we've been asked to find a stopgap, deploy a quick fix or slap a Band-Aid on our partners' sales. We mean no disrespect—that's part of how we can help—but it's just an all-too-normal issue for teams across the industry.

That's why we set out to write this whitepaper—to provide the one true fix for this problem. We call it "The Rule of 7+."

We've pulled together a three-year analysis of our work, partnering with properties of all shapes and sizes in different markets all over the continent. What we learned directly correlates with the actionable strategies you'll find at the end of this report, and they're of even greater importance this year after COVID-19 upended our industry.

My team and I can tell you that with our hotel B2B sales golden rule, you can rebuild your sales team's strategy from the ground up, gain millions in revenue and create a pipeline that actually sustains and stabilizes your business for years to come [yes, even in this trying year].



Amy Infante
Visionary & CEO

P.S. I'm eager to hear if the rule works for your team[s] or if you need any help integrating it into your process. Feel free to shoot me a message—I'm all ears!

 Amy Infante

WHO WE ARE

GITGO IS THE LEADING HOTEL SALES EXPERT IN NEW BUSINESS DEVELOPMENT AND BUILDING STRATEGY, TEAMS AND PROCESSES THAT PLUG MAJOR REVENUE GAPS.

We're a well-guarded secret weapon within the hospitality industry, serving major hotel chains, brands, management companies, and properties in all hotel categories and markets. We've worked with hotels in all 50 states and eight countries. In the last year alone, we worked with more than 8,000 hotels.

Our Genius

With our B2B sales superpowers, your sales teams become invincible.



Insights

We've learned so much from the thousands of calls we make on behalf of our clients. Uncovering and validating the voice of your customer, we'll show you exactly what B2B buyers are looking for—and need.



Solutions

Our consulting will restore order to your team, but a partnership is where the synergy happens. Give us a seat at the table, and you'll tap into our active thought process and proven, winning sales strategies.



Integration

We can seamlessly embed within your business to the point that we will become an essential extension of your existing team. Bring us behind the scenes and wait for the sparks.

THE HOSPITALITY LANDSCAPE
FACES CHALLENGES ON ALL FRONTS—
ISSUES ACCELERATED BY THE ONSET
OF THE PANDEMIC.



COVID-19



HISTORIC RECESSION



**CUTTING COSTS:
AUTOMATION AND
CENTRALIZATION**



RAPID DIGITIZATION



**AI AND MACHINE
LEARNING**



**CROSS-FUNCTIONAL
COLLABORATION**

For years, we've been banging the drum for proactive business development, and the pandemic has brought to light exactly why it's so important. Building a sales system that can maintain sustainable sales will help your organization navigate the good times and the bad—and we're built to help you create that framework.

— BOTTOM LINE —

OUR GOAL
HASN'T CHANGED.

WE'RE HERE
TO FILL
EVERY ROOM
[PREDICTABLY].



INTRODUCING THE RULE OF 7+ —————

TO UNDERSTAND **HOW**
THE RULE OF 7+ WORKS,
YOU MUST FIRST
UNDERSTAND **WHY**
PROACTIVE BUSINESS
DEVELOPMENT MUST BE
YOUR PRIMARY FOCUS.

We have to come to grips with the:

- ▶ **Size of the Prize** at stake.
- ▶ **3 Crucial Truths** in the industry.
- ▶ **3 Core Competencies** of working in the buyer's journey.
- ▶ **How to Apply The Rule of 7+** productively.



SIZE OF THE PRIZE

THERE ARE 30 MILLION SMALL- TO MEDIUM-SIZED BUSINESSES [SMBs] IN THE U.S. ALONE.¹

While obviously smaller than your biggest targets, this business segment has untapped buying potential. Our team uncovers thousands of SMB leads each year—and each has an average hotel spend of more than \$90,000.

In 2019 alone, we uncovered over \$255 million in buying power just from SMB leads.

Think of all that potential sitting in your market—and how it could've helped earlier this year.

From March to June this year, our team still closed more than \$6 million in revenue because of our strategy, predicated entirely on proactive business development. All of that revenue came from conversations that we began with prospects in 2019, and our clients benefited because they fully committed to the time and effort of keeping their funnel full months in advance. Meanwhile, we saw countless other properties fall by the wayside and succumb to the external pressures brought onto our industry by COVID-19.

The time to be adding prospective buyers to your funnel is every single day. We still know buyers are planning travel even though they're uncertain about when the pandemic will end. Make the calls, have the conversations, and—no matter where they are in the buying cycle—get them in your CRM. Follow up and nurture as a partner while waiting for their booking windows to come to fruition.

— TRUTH NO. 1 —

ACCORDING TO OUR 2017–19 SALES QUALIFIED LEAD [SQL] DATABASE ANALYSIS, 89% OF OUR PARTNERS' BUSINESS IS UNCOVERED OUTSIDE OF THE “PERCEIVED” BUYING CYCLE.²

Our industry is conditioned to believe the B2B buying cycle is short—just a few months long—and a never-ending, rapid-fire inbound cycle of RFPs. However, our analysis shows B2B buyers begin their journey at least 7 months in advance of purchasing, meaning our prospects are beginning their evaluations long before RFPs hit our inboxes.

Some of this stems from the misconception—shared by general managers, hotel owners and even sales professionals—that the booking window and customer buying cycle are one in the same. Booking windows are compressed into just a few months, with hotel buyers typically posting their RFPs 30–90 days before their business will materialize. But we know buyers explore their needs and conduct research in the weeks, months and sometimes years before the day their RFP hits your inbox.

In 2020, we're seeing even shorter booking windows and a need for hotels to be flexible to accommodate last-minute changes and cancellations. The buying cycles, however, in many cases are longer. Companies are evaluating the safety and necessity of travel and then factoring the true business needs before booking their stays.

Current customer insights show that marketing qualified leads [MQLs]—those with future needs and interest but no known dates for their next opportunity—have doubled and in some markets tripled. Sales qualified leads [SQLs] with dates predicted for their next travel opportunity for the market are currently reaching into Q2 2021 and beyond.

— TRUTH NO. 2 —

THE SMB B2B BUYING CYCLE IS MORE THAN 3 MONTHS.

The real magic happens when you start to see the booking window as just a fraction of the actual buying cycle of the customers.

According to Jeremy Miller of Sticky Branding, only 3% of buyers at any given time are ready to buy, meaning 97% are still navigating the buyer's journey. In that vast majority, he found 7% are in the process of making a decision, 30% have a need but no timetable, 30% have no interest [yet] and 30% aren't interested in doing business with you.

If we confine ourselves to wanting sales now, then we focus only on the business in front of us [inbound leads] rather than the business around us [proactive business development]. Reaching out to potential buyers in your area will help you establish: 1] Your potential fit with each other; 2] Their needs; and 3] How long you have to make a case for their business.

Teams that were only keeping their sights on the short term are the same ones that suffered the most when COVID-19 brought hotel sales to a screeching halt. While the pandemic has negatively affected all properties, the ones with proactive business development have fared much better and have better funnels. Take one of our partners, in a Tier 3 Oil and Gas market, for example: They leveraged relationships built in the 6 months prior to the onset of COVID-19 and have managed to consistently stay in the top two STR competitive set throughout the pandemic.

— TRUTH NO. 3 —

QUICK B2B SPENDING DECISIONS ARE RARE.

In this day and age, decisions are made by committee and buying decisions in particular aren't made quickly.

It's a misnomer that any business can just spend \$100,000—or even \$10,000 for an SMB—on the spot. Many businesses we work with need multiple stakeholders within the company to commit to and confirm a transaction. That takes time, and that's why you need to build business and relationships with buyers over the long haul. When we limit ourselves to a compressed sales window, we're missing out on an opportunity to build a relationship and use that time to articulate your property's fit.

OUR ANALYSIS

With everything we know about the industry, the revenue at stake and these all-too-common misconceptions, we set out to answer two questions:

1. Is proactive business development in the B2B space worth it for the hospitality industry?
2. If so, can we quantify it?

For this report, we dug through the data of our most recent three-year sample of our work. **The Rule of 7+** is backed up by the fruits of our 2017–19 work. We've also applied this rule to today's crisis, as we've seen proof that current events escalate the importance of a proactive approach and accelerate a need for change in the way companies tactically and strategically approach new business development.

GitGo's Vault of Insights

- ▶ Conducted more than 1.5 million buyer interviews.
- ▶ Combed through more than 90,000 hours of conversations with B2B buyers.
- ▶ Uncovered more than \$765 million in SQLs.

Scope of Analysis

Focused on the SMB segment, this data was taken from work with 740 properties spanning 50 different markets [Tier 1 through Tier 3 markets] for a total of \$14.3 million in revenue uncovered.

COVID-19 Impact

Our statistics were gathered before the pandemic, but the dire state of hotel sales just places an even greater emphasis to these findings. Our new reality is a world where if your team isn't strategically and proactively looking for its future customers on a daily basis, you're fighting an even steeper uphill battle than 2020 has already been.

What you'll see on the following pages underscores why our industry **must** ditch the “*What have you booked lately?*” mindset to building your funnel each and every day, no matter how far away the booking window might be.

THE RULE OF 7+ —————

77% OF REVENUE OPPORTUNITIES WITH YOUR CLIENTS CAN BE UNLOCKED WHEN YOU ENGAGE WITH THEM FOR **7+ MONTHS** **BEFORE BOOKING.**

Once you understand the buyer's journey and the different milestones on their [sometimes long] path to purchase, you'll see proactive business development is the key to sustaining your business. You have to catch your customers earlier.



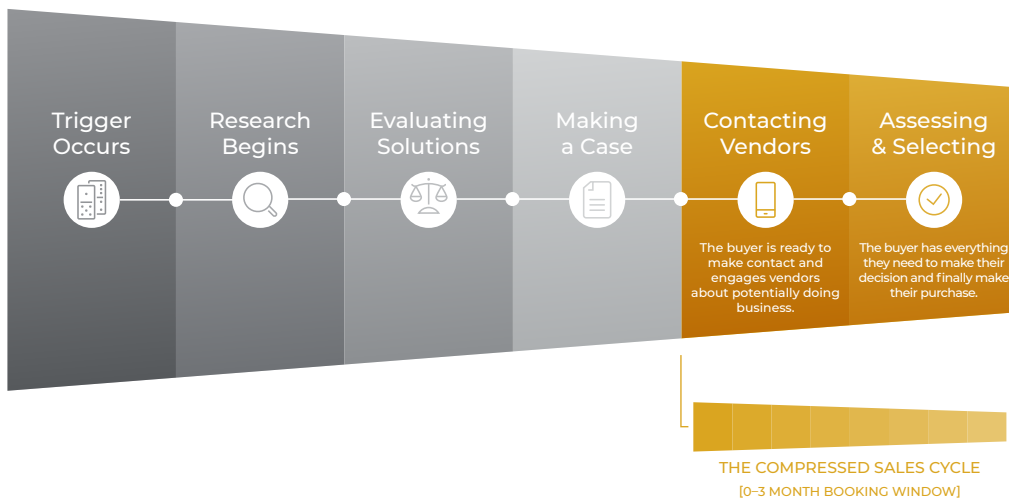
THE COMMODITIZATION ZONE™

BOOKING WINDOW: **0-3 MONTHS**

REVENUE OPPORTUNITIES: **11.4%**

BOOKING WINDOW: **4-6 MONTHS**

REVENUE OPPORTUNITIES: **11.5%**



A reactive environment where your property is seen only for its availability and room rate.

Simply waiting to respond to inbound leads to win business is a recipe for disaster. Responding to them is part of your sales strategy, yes—you shouldn't dismiss answering RFPs. However, it's hard to rely on winning all of your business this way, especially when the stakes are so high and you don't have time to make a case separating your property from the competition.

When deploying proactive new business development, you will undoubtedly find businesses that have needs within the next 3 months. However, the challenge is converting that business and it can fool sales teams. Chances are they have already been gone through much of their buying journey and you have to quickly move through the compressed sales cycle. In 95% of cases when an opportunity was discovered proactively in this zone, the client did not convert. However, using GitGo's methodology, our hotel partner was able to move that relationship into the Influence Zone and work to win the next opportunity.

▶ About 90% of hotels are living in this zone and relying on it for 70% of their business.*

COVID-19 Impact

Getting out of The Commoditization Zone™ is tricky in 2020: even with fewer inbound leads, companies are making more last-minute decisions on travel and meetings. Compounding this, many hotels are left without sales representation or a drastically reduced staff dealing with the added pressure to find business in the short term to save hotels from defaulting on loans.

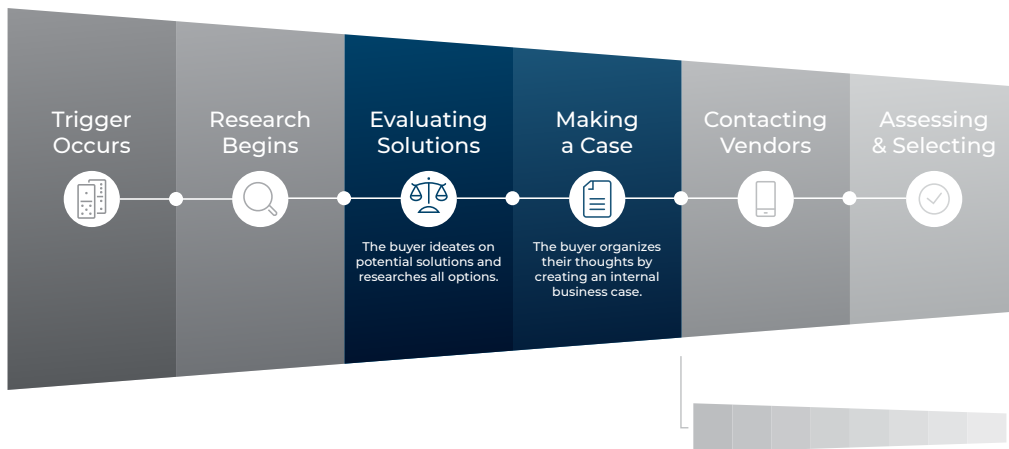
GitGo recommends forming a "catch team" to handle those quick-turn inbound opportunities and leads discovered in this zone. It ensures speedy, nimble and effective responses focused on winning any and every short-term opportunity that makes sense for the property.

**Note: This was pre-COVID-19. However, GitGo is continuing to see and hear properties are still struggling with a consistent, proactive approach even while the inbound commoditization zone has been drastically reduced in many markets.*

THE INFLUENCE ZONE™

BOOKING WINDOW: **7-11 MONTHS**

REVENUE OPPORTUNITIES: **23%**



The middle of the buyer's journey is your opportunity to be the trusted advisor.

Connecting with your potential buyer with more than six months left in their journey gives you the time to build a relationship. Each organization has their own processes, nuances and quirks when it comes to their decision-making and buying behavior. What we do see as a commonality among hotel buyers in this space is the need for a trusted advisor to navigate the dynamic changes in the industry and markets.

As the buyer is evaluating their options, it's time to show that your property deserves to be among them. With a strong follow-up and nurture strategy, your marketing messages and touch bases will further your property's viability and relationship with your potential client at the same time.

- ▶ The revenue opportunities in The Influence Zone™ are double that of the 0-3-month or 4-6-month engagements in The Commoditization Zone™.

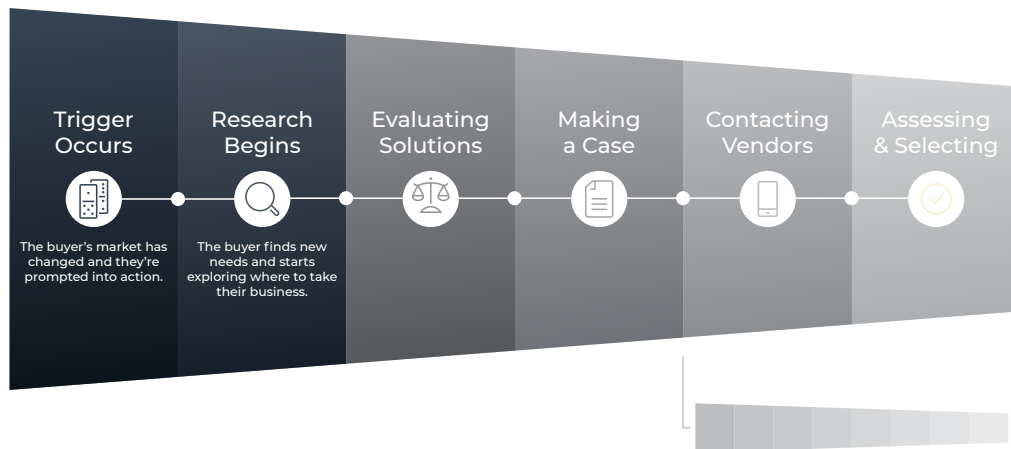
COVID-19 Impact

The Influence Zone™ is a critical time to connect with prospective buyers. At this point in the year, these buyers are looking to when the calendar turns to 2021 and tentatively hoping to resume business travel. That's optimistic. Rather than waiting for them to connect just before they are ready [which won't likely be until sometime next year], you can use time as the opportunity to share relevant and compelling information that will set your property apart from the competition and build your trusted advisor status.

THE HIDDEN REVENUE ZONE™

BOOKING WINDOW: **12-24+ MONTHS**

REVENUE OPPORTUNITIES: **54%**



Get in on the ground floor with your prospect and become a companion for the entire buyer's journey.

More time equals more opportunity to show your buyers what your properties are all about. At least a year away from booking, you have ample time to develop an enriching relationship with your lead. At this stage, the buyer has just been spurred into action by a new business need and they're beginning to see what's out there.

This is the moment to engage. Done correctly, your property will have no fear of commoditization. Giving them the time and space to make a decision, your messaging should be enlightening, supportive and tactful. When your proactive business development strategy is firing on all cylinders, you'll reach and keep potential clients as you stay in their funnel from start to finish.

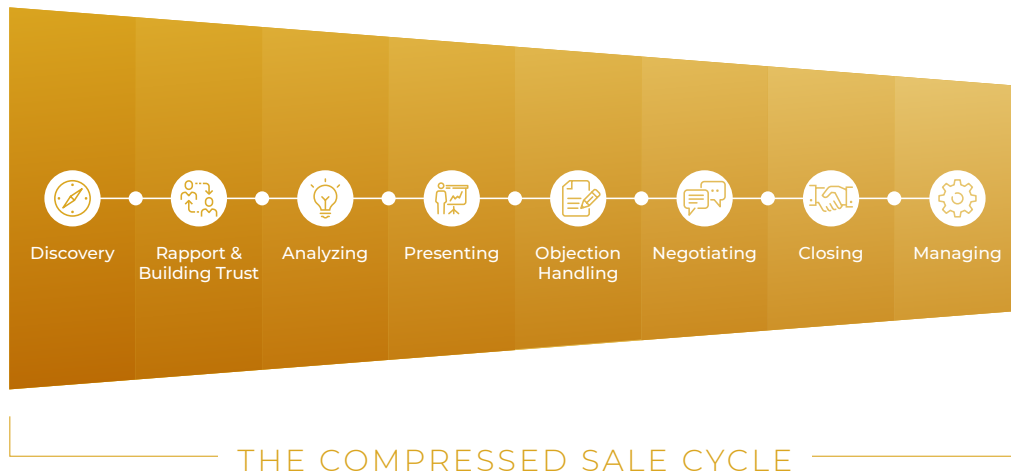
- Combine all of the revenue opportunities from The Commoditization Zone™ [0-3 months and 4-6 months] and The Influence Zone™ [7-11 months], and they collectively still fall nearly 10% short of that in The Hidden Revenue Zone™.

COVID-19 Impact

The Hidden Revenue Zone™ has droves of prospective buyers, especially in 2020. With no COVID-19 vaccine readily available, travel restrictions, and the precariousness of planning too far into the future, this is the status quo for most business travelers. Make the connections now, build those relationships and commit to seeing them through the funnel, no matter how long it takes.

ACHIEVING CORE COMPETENCIES

MAKING THREE ESSENTIAL PIVOTS WILL FREE YOUR SALES TEAM FROM THE COMPRESSED INBOUND SALES CYCLE.



In The Commoditization Zone™, sales teams are forced to rush through RFP answers with dates, rates and availability—normally within just 24 hours. It's unrealistic and unproductive to pin the hopes of most of your property's business on a frantic cycle where you have no control.

With **The Rule of 7+**, a proactive approach to filling your pipeline changes everything.

Core Competencies to Apply:

1. Shift *Discovery* to The Hidden Revenue Zone™.
2. Shift *Rapport & Building Trust* to The Influence Zone™.
3. Move clients discovered in the commoditization zone too late back into The Influence Zone™ for future business opportunity.

► Start proactively engaging businesses *before* they have the need to buy. Reach out to discover their needs first and what you can help them achieve.

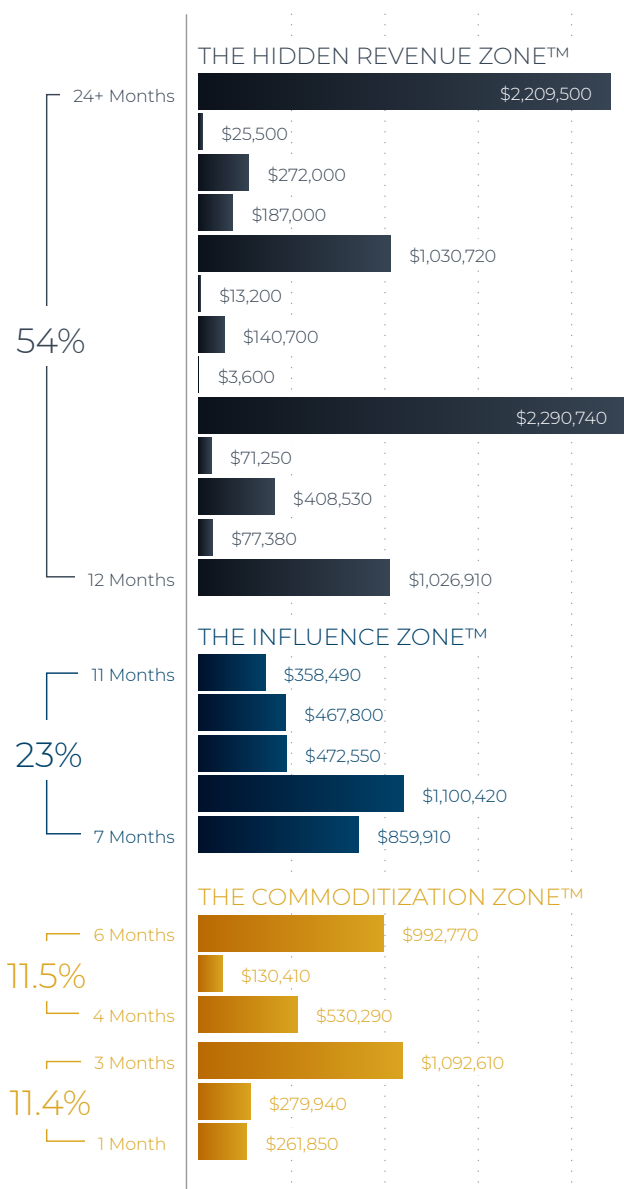
Using these three core competencies allows you to become a trusted advisor. Your contacts wear many hats and aren't accustomed to hotel lingo [especially true of SMBs], so they need a partner to help them navigate the hospitality and travel world.

THE FUNNEL NARROWS QUICKLY

REVENUE OPPORTUNITIES ARE ABUNDANT FOR RELATIONSHIPS BUILT 7+ MONTHS BEFORE PURCHASING, BUT THE SAME CAN'T BE SAID FOR SHORTER ENGAGEMENTS.

Based on our three-year analysis of working in the SMB market, **77% of revenue was captured in relationships that started seven months prior to purchase.** Sure, a few sizable chunks of revenue were captured within relationships lasting six months or less. However, those aren't the sure bets.

In those instances, the purchaser had navigated their buying journey without finding a good match or scope fit for their desired property. We were lucky to find them when we did. That is the kind of bonus business you like to land, but it's not the kind that fills your pipeline. Run the marathon—not the sprint—with your buyers.



THE FUNNEL NARROWS QUICKLY

NURTURE LONG RELATIONSHIPS.

We can't rely only on the intuition of our salespeople—too much revenue is at stake to not have smart processes, sharp needs-focused content and white-glove service built into automated processes.

Since the relationship has to be fostered for so long, it's easy for it to fall through the cracks without a CRM and foundational pieces [like marketing emails and timelines]. Building this beforehand is how to support the sales teams to focus on the things they're good at: closing business. Build intuitive strategies to follow-up and nurture prospect relationships through the funnel.

This is where we can make seismic change for our partners' business.

While applying this method, GitGo's partners have experienced **labor cost reductions by over 30%**, while still realizing sales enablement efficiencies and **customer acquisition growth of over 50%**.



THE MORAL OF THE STORY AND HOTEL SALES IN 2020: FIND PEOPLE WHEREVER THEY ARE IN THE BUYING CYCLE SO YOU CAN DO BUSINESS **WHENEVER** IT MAKES SENSE TO THEM.

With the right implementation and framework, you can shift your sales team in a productive direction.



People

► Mindset

It's time to shift our standards of what proactive business development should lead to. You'll always be disappointed if you expect The Commoditization Zone™ to sustain you, but we can re-train ourselves and our teams to build business seven or more months in advance, which drives predictability and sustainable growth.

► Management Style

Our properties' sales don't need to be a feast or famine, and low season doesn't have to be a thing. Manage your team's approach and set clear expectations for generating leads all the time. Identify sales team members who not only apply the skills but also possess the strength and stamina to build new business.

PRO TIP: Utilize strengths-based assessments, like GitGo's Kolbe Certified Trainer, to evaluate and ensure you have the right people in the right seats for this new approach.

► KPIs

When we focus on **The Rule of 7+**, we need to start looking for indicators of success from different tactics further out: Are we having quality touchpoints? Are we having deep, insightful conversations with prospects so we can understand their needs? Have we scored our leads appropriately in our CRM? Taking the time to review scorecards and metrics [or build them for the first time] is critical in this era of sales.

PRO TIP: The scorecard is the most under-utilized tool for hospitality sales teams today. GitGo has engineered complete sales turnarounds by deploying a simple scorecard to track the right metrics at the right time in a team's development.



Processes

- ▶ Manage the range of the Path to Purchase by supporting your sales team with B2B marketing processes that allow for the right touchpoints to nurture relationships and design appropriate, relevant and compelling content.
- ▶ Review the RFP response processes and ensure they are still aligning with reality for today and allowing for flexibility in the future to accommodate the volume and expectations of the customer.

PRO TIP: The lesson from 2020 is to not get caught up in spending too much time or resources on responding to inbound RFPs knowing that is possibly just 3% of the buyers and not sustainable for long-term success.



Tools

- ▶ Enable your sales team to follow up with leads in a polished way. If they're not equipped with the right messaging at the right time, we're not setting them up for success or activating an entire organization to support proactive business development.
- ▶ Arm your sales team with B2B marketing tools and strategies they can execute. Create the cadence and content to allow your sales team to enhance their relationships and close business when the time comes.
- ▶ The reality is that B2B marketing support is weak at property level. Most hotels do not have the budget or bandwidth and end up relying on the sales team to create strategy and execute. It becomes a manual, cumbersome and often frustrating process with very little tracked results.

PRO TIP: A little automation goes a long way here—GitGo has designed programs to meet our partners where they are with the vision to help them evolve as the results come through.

PUT PROACTIVE BUSINESS
DEVELOPMENT AT THE TOP OF
YOUR PRIORITY LIST AND BUILD THE
PIPELINE YOU'VE ALWAYS WANTED—
AND WILL ALWAYS NEED.

If you want to schedule a strategy session or executive briefing with GitGo, let's get a meeting on the books.

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