

Recognize employee recognition for what it is — gold

At the corporate sales meetings where I give presentations, I am often asked to participate in giving out sales awards.

The customer is elated when I say OK. Little do they know it's one of my favorite things to do — and one of, if not *the* most important part of their meeting.

PLEASE NOTE: These are not "contests." They are sales achievement awards.

People's names are called for one achievement or another and their name and photo are shown on big screens in front of everyone (especially their peers). They walk to the stage to accept their award — smiling, beaming, full of pride.

Photos are taken, hands are shaken, statues are given, plaques are awarded, inscriptions are read aloud and prizes are given to the people who won — nay, EARNED — the award. All their hard work is recognized and rewarded. In public.

What's the value of this? Can't be measured. To quote MasterCard: "Priceless."

You can measure performance, but you can't measure pride of achievement. Nor can you measure the motivation and inspiration to continue to achieve.

Their stimulus is not measured in some government handout or bailout. It's internal stimulus created from personal pride and accomplishment. Winning. Selling.

When someone wins an award there are several unspoken benefits. There is the incentive for that person to maintain or improve his or her performance to stay at the top. And there is HUGE stimulus for others in the audience to try to win an award next year.

NOTE WELL: Award achievement in public. Not just at the meeting, make sure it's on your blog, in your e-zine and posted on your Web site.

Sales incentives and sales awards are economic stimulus of the first degree. Real stimulus. In challenging economic times (how's that for putting it mildly), sales are what will make a company recover. Oh, you may have to make some cuts for the safety of your business, but no company ever cut its way to success. You must sell your way to profit and success.

REALITY: How many of the GM bailout billions are going toward teaching the company's car salespeople how to SELL in a way that doesn't breed customer anger and disrespect? My bet is NOT ONE PENNY. One of the reasons GM went under is that it couldn't sell as many cars as its competition. This stems from a lack of respect for car salespeople and "iffy" advertising like "a dollar over invoice."

Car sales were down last year and continue to slide this year. REALITY: 7.8 MILLION new cars were sold last year. What percentage went to GM? Answer: not enough. Maybe a better

answer lies in salespeople and their incentive to perform honorably and be rewarded for their achievement. Just a thought.

Maybe if the auto dealers rewarded their salespeople based on the amount of customers who were repeat buyers, or percentage of customers who also use the service department, rather than "number of units sold," they would be in less of a mess. Just a thought.

Our new president doesn't seem to understand the power of celebration and rewarding performance of salespeople. Too bad.



Jeffrey Gitomer

Can sales meetings? NEVER. Stop rewarding the very people who put all the money in your corporate coffers? NEVER.

Recognize salespeople for a job well done and they will recognize you.

Praise salespeople for a job well done and they will praise you.

Reward salespeople for a job well done and they will continue to reward you.

Why don't you take a look at your company, your salespeople and your awards and rewards? Maybe some recognition reorganization is in order. Maybe instead of "cutting," you might try "investing." Especially in salespeople. They are your bailout.

NOTE TO MANAGEMENT: Instead of figuring out how to change (reduce) compensation plans as a disincentive and morale breaker to all, why not invest in a sales meeting and a celebration to reward those who have achieved at the highest level, and challenge those in the audience that they too can win these awards next year if they decide to dedicate the time and effort to do so?

Want the *SECRETS* to winning the sales award in your company?

1. Your YES! Attitude with everyone you come in contact with.
2. Creating a value proposition in terms of the customer.
3. Your dedication to helping and serving others.
4. Creating a buying atmosphere when you meet customers.
- 4.5. Hard work.

Want a game plan for creating awards? A list of suggestions is yours for free. Go to www.gitomer.com and enter AWARDS in the GitBit box.

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Top landlord mistakes in commercial leasing

Many landlord mistakes in commercial leasing arise either because of a poorly drafted lease agreement or because of ignorance of landlord-tenant statutes. In most cases, expensive litigation could be avoided if landlords learned from these common mistakes.

1. Using Outdated Forms. Many landlords use old or outdated lease forms that may not be applicable to the situation at hand, or even comply with current legal standards. In addition, many landlords use outdated forms for default notices that contain inaccurate statutory references. While many landlords are conscious of legal fees, it can be a worthwhile investment to consult an attorney periodically to ensure that the landlord's standard forms are current and they comply with any recent changes in the law. A well-drafted lease and notice of default can save significant litigation expenses if it becomes necessary to initiate eviction or collection proceedings.

2. Including Indefinite Terms in Leases. Commercial leases very often contain vague and indefinite terms that are not enforceable. For example, the parties may agree on an option to renew a lease but do not provide for the rental amount during the renewed period or a method for determining one. Usually, such provisions are not enforceable because they are too vague and indefinite. Courts do not like inserting contractual terms that were not expressly agreed to by the parties. If the parties cannot ascertain the exact renewal rent amount at the time of the lease execution, a better way may be to provide a formula for determining such rent, for example, a formula based on the Consumer Price Index published by the U.S. Bureau of Labor Statistics or any other official index published by a similar governmental agency.

3. Failing to Obtain Lease Guaranty. Many landlords either forget or do not require a lease guaranty, leaving themselves in a situation where their only recovery is against a tenant company that does not have any assets or ability to pay. A preferred method for landlords is to insist upon the tenant providing a lease guaranty from the tenant's principals. It is important to obtain financial statements from a prospective guarantor to ascertain the financial position of the guarantor.

While a lease guaranty is preferable, a landlord may also be able to recover against the principals of the tenant company if the company was not properly organized at the time the lease was signed. Utah statute provides that any person who purports to act on behalf of a corporation is jointly and severally liable for any liabilities created prior to incorporation if the individual knows that the company was not incorporated at the time of the transaction. If applicable, these statutory protections can be invaluable to landlords in negotiating a settlement with a defaulting tenant or in pursuing collection proceedings.

4. Not Following Unlawful Detainer Statute. When done properly, unlawful detainer proceedings can be a very efficient method of restoring the landlord's possession of the premises and

obtaining a quick judgment for unpaid rent or damage to the premises. However, it is critical that the landlord follow the statute, which requires the landlord to provide proper notice, to post a possession bond and to present evidence at an evidentiary hearing in the event the tenant contests the eviction.

If the landlord prevails in the unlawful detainer proceeding, the court will issue an order of restitution that directs the tenant to vacate the premises, to remove any personal property and to restore possession to the landlord within three calendar days. To the extent the parties agree in a lease that the landlord may re-enter and take possession of the leased premises without appropriate legal proceedings, such a provision may be void as against public policy.

5. Forgetting About Landlord's Lien. Landlords often forget about statutory and contractual remedies that provide for landlord's liens. Utah law allows a landlord to assert a lien for rent due upon any non-exempt property of the lessee that was kept upon the leased premises during the term of occupancy and for thirty days after their occupation ceases. To enforce the lien, the landlord must first obtain a writ of attachment, which is supported by an affidavit and a bond.

Careful drafting in a lease agreement can provide additional protection for the landlord by creating a contractual landlord lien against any personal property brought onto the premises. More importantly, because a contractual lien is separate and distinct from the statutory landlord's lien, the landlord does not need to follow the unique requirements for enforcement of a statutory landlord's lien.

6. Ignoring Duty to Mitigate. In exercising their remedies under the lease, landlords should not ignore a duty to mitigate their damages by reletting premises. The duty to mitigate arises when a landlord may want to continue with the lease and attempt to recover rent from the tenant as it becomes due, even when the tenant failed to pay rent under the lease and wrongfully vacated the premises. The duty to mitigate damages is an affirmative duty and requires landlords take positive steps that will result in the reletting of the premises. A landlord's mitigating efforts are considered in light of the commercial reasonableness standard, which depends on the market and the property at issue.

In summary, many common landlord mistakes and the expensive litigation often accompanying such mistakes could be easily prevented if a lease were drafted well or if a landlord consulted with an attorney before enforcing a lease.

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