

Don't bring a secret Santa gift – or your spouse

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Who would blame Kangaroo Media Inc. employees if they didn't feel like rocking around the Christmas tree this year? After all, the office holiday party crowd will be a little thin since tremors from the financial crisis forced management to axe more than one-third of its 46-employee work force. Though Kangaroo isn't completely nixing festivities, party plans were seriously trimmed this year and limits were set: No country club, no fancy party favors and definitely no open bar.

"We're doing it all ourselves," says CEO Robert Mimeault from his company headquarters in Mirabel, Que. "It's not going to be anywhere near what we spent last year." Last year was an investment indeed – more than double what the company can afford now. A hired event planner crafted a glorious holiday dinner and dancing event at a local golf course. This year, employees may not even leave the building – the company is looking at hiring a recent grad from Le Cordon Bleu chef school to run a cooking class in a traveling kitchen wheeled into company headquarters. This plan will save the struggling company a bundle, Mr. Mimeault says. "You're looking at something in the order of \$1,000.00 or \$1,200.00 its way cheaper," he says.

Scrounging to save cash since the market meltdown wreaked havoc on their bottom line; companies across North America are rethinking their holiday party plans. Some won't party at all.

Montreal corporate event planner Daniela Caputo would normally be busy planning 10 big holiday parties by early November. "This year it's a good half," she says. "Maybe [clients are] anticipating a hit, maybe not, but they're keeping it low-key, just being cautious."

New York blogs were a-twitter last month when media giant the Hearst Corporation announced it would cancel a traditionally lavish holiday party for its American staff. A raft of financial institutions including Morgan Stanley, American Express and Barclays Bank also axed their fêtes, according to the Wall Street tabloid Dealbreaker.com.

Workplace experts are dismayed but not surprised. "Given the economic environment we've moved into, it doesn't seem too surprising that companies are really cutting back," says John Challenger, the Chicago-based chief executive officer of workplace consultants Challenger, Gray & Christmas, Inc.

There's nothing wrong with cutting a few corners, he says, but canceling a party altogether could hurt company morale and sour any positive vibes left in a financially battered office. His firm conducted a survey last month and found a 13-per-cent drop in U.S. holiday office parties this year. About 7 per cent of respondents say they're canceling party plans – a big slide from last year, when the same survey found not one office planned to ditch the eggnog and secret Santa, Mr. Challenger says.

While the party rumor mill churns in the United States, hotels and restaurants in Canada confirm that some reliable corporate clients cancelled or trimmed down previously scheduled holiday parties this year.

"One company has cut its invite list in half. They didn't compromise on the food necessarily but they did decrease their guest list [to exclude spouses]," says Sarah MacKenzie of Vancouver's Culinary Capers Catering. Across the board, corporate clients are trimming in creative ways. Instead of evening events, bosses are booking luncheons – people booze less and don't bring their spouses, says Jasmine Baker, director of sales and catering at Toronto's Drake Hotel. The Drake is even offering discounts and freebies such as photo montages, not charging for audio/video equipment, and crafting hip party soundtracks so companies don't have to hire a band. Such corporate frugality has had a trickle-down effect that's being felt by event planners, restaurants, hotels and halls.

And while many venues were bracing for the worst, some were taken a little off guard.

"We never got any wind of any type of concern or cancellation or modification of the menu until September," says Laura Pallotta, director of sales and marketing at Delta Meadowvale Resort and Conference Centre in Mississauga, Ont. Companies are more likely to jockey for lower prices than drop their party plans altogether, she says. And events lost to cancellations were quickly replaced by companies who were teetering on the fence but decided a party would boost morale and keep staff motivated, she says.

That was Mr. Mimeault's thought when he was faced with the touchy task of trimming the holiday budget this year. Not having a party – especially during hard times – wasn't an option if he wanted to keep his remaining employees optimistic. Also, an interactive event such as a cooking class builds relationships and may even boost employee productivity, he says. "There's so much doom and gloom. ... Why not just celebrate that you've got your health, your co-workers, and your friends?" he says.