

15 reasons to get back to work (And be happy about it)

John Daly, Brian Milner, Steve Ladurantaye, Denise Balkissoon, Boyd Erman, Carol Toller, Benjamin Leszcz and Ivor Tossell

2390 words

28 August 2009

[The Globe and Mail](#)

GLOB

36

English

2009 CTVglobemedia Publishing Inc. All Rights Reserved.

No.

There's money to be made

1

Is it okay to be bullish again? Or at least to assume that the recent surge in stock markets isn't a dead cat bounce? By midsummer, Canadian and U.S. markets had climbed back by about a third since they hit bottom in early March, but were still roughly a third below their levels of a year earlier. Like a lot of pros, Brent Smith, chief investment officer of Franklin Templeton Managed Investment Solutions, thinks there's plenty of upside left. Robust second-quarter earnings from U.S. giants like Intel and Goldman Sachs surprised many analysts. "You'd think that economic activity came to a halt," says Smith. "But people are still buying."

And domestic economies in China, India, Brazil and other emerging countries haven't been hit as hard as the G7 nations. "We like emerging markets," says Smith. "We like growth stocks over value, and small-cap over large-cap." Stocks don't appear to be overpriced relative to earnings yet, either. The average P/E ratio of Standard & Poor's 500 index stocks was a historically modest 17.4 at the end of the second quarter, and that was with earnings still well below their prerecession levels. "We've seen a pickup in the P part of it, but we haven't really seen a pickup in the E part of it," he says. Yet.

-John Daly

No.

2

Office rents are falling

If you're lucky, you may be reading this in your office in the spiffy new Bay Adelaide Centre west tower in Toronto. Or preparing to move into the nearly completed RBC Centre or Telus

towers nearby. Office-space gluts mean office-space deals. "A year ago, the owners of those buildings wanted big tenants-like, two, three, four or five floors," says Paul Smith, head of commercial real estate brokerage Smith Co./ONCOR International. "Now, if you're a smaller tenant, they'll talk to you." So far, Smith adds, Toronto's situation isn't as severe as during the 1991-'92 recession, when downtown rents fell to around \$20 or \$30 per square foot. But if your lease is up for renewal, you can easily negotiate for \$41 a square foot, down from \$46 last summer. The picture varies across Canada, of course. Landlords still call the shots in buoyant Vancouver, but in Calgary, \$100 (U.S.)-a-barrel oil now seems like a distant memory, and boom-era projects like the 1.1-million-square-foot Eighth Avenue Place are still in the construction pipeline. Mid-lease breaks in existing buildings are now *de rigueur*.

-J.D.

No.

3

It's easier to be exclusive

Waiting lists at even the most exclusive clubs are shrinking, and some have dried up entirely. That's because a small but growing number of members are taking what's known in the milieu as a "financial leave of absence." Private clubs facing stiff cuts to their operating and capital budgets have had to become creative to keep dues and fees flowing and members spending on food and other services.

Some have eased up on stringent review processes for new members, and most have devised a variety of incentives-including reduced fees, multiyear instalment plans and discounts for bringing in friends. One B.C. club has even offered Olympic hockey tickets to the member who ropes in the most recruits.

"We're trying to lower the barrier to be exposed to a private club," says David Main, general manager of the 88-year-old Brampton Golf Club, west of Toronto. Since last October, the club has offered three-year trial memberships at \$1,000 a year (plus annual fees). Members can sign up for the long haul for an additional \$17,000. The regular rate is \$26,500.

Over at Sunningdale Golf & Country Club in London, Ontario, new members 35 years or younger can now pay the \$21,000 family entry fee in instalments stretched over 15 years, interest-free. And if they leave the area before that, they won't be dinged for what they still owe. General manager John Adams says today's young professionals-lawyers, bankers, accountants and insurance types (this is London, Ontario, after all)-often have young families and other financial obligations. "It just becomes a lot more digestible for them."

-Brian Milner

No.

4

Your monthly \$1,000 car allowance will get you into a nicely loaded 2010 Lexus RX350, instead of the crummy base model the same money got you last year. Hello, puddle lamps and XM radio!

-Steve Ladurantaye

No.

5

Lobster for lunch

What's sweet, pink and way less expensive than it used to be? Lobster prices have fallen a whopping 40% in recent years, making it possible to scarf down a bull market snack without breaking the bank. This season's most luxurious lunch is the lobster roll, on offer at two fresh Toronto spots. Petite Thuet (at 1 King West) offers a \$9 envelope of Nova Scotia crustacean chopped up with crab, avocado oil mayo, shallots, celery and green onion, all stuffed into an Alsatian pretzel bun. Over at Rodney's by Bay (cozily tucked away on Temperance Street), they dress chunks of sea creature with an aromatic anise glaze, then serve the sandwich alongside a wee bowl of bisque and mellow tatsoi greens (\$21). That's rich.

-Denise Balkissoon

No.

6

You've got a better shot at the C-suite than ever before

When the going gets tough, there's turmoil at the top. Peter Crist, head of Chicago-based executive recruiter Crist/Kolder Associates, says his firm's annual volatility ranking of job changes at the CEO, COO and CFO levels of Fortune 500 and S&P 500 companies climbed to near all-time highs in 2008. A lot of experienced executives in many industries are staying on the sidelines during this downturn, and that means more opportunities for younger go-getters outside the conventional line of corporate succession. But Crist warns that visionaries in a hurry aren't required. Because the future is so uncertain, he says, "I'm usually looking for an operator," meaning someone who has run more than, say, one plant, and who's developed a new line of business or lifted one to a new level. Tom Long, a managing director of Toronto-based recruiter Russell Reynolds Associates, says humility is key, as are "influencing and collaboration skills," because you'll have to "realign a team and encourage them to think in different ways."

-J.D.

No.

7

Because ski season is only 13 weeks away

No.

8

The big bonus is dead. Long live the big bonus!

For a minute there, when we were all talking about the next Great Depression, it looked like investment bankers and traders were going to have to get by on their "draws" -measly base salaries of a hundred grand or so that don't go far when you've got to cover the club memberships, the property taxes on three places (one north, one south, one Rosedale), the private-school fees and, let's be honest, the alimony. But a perfectly timed rally in markets and deal flow has kept the forces of impecuniosity at bay. Bonuses are back, especially for bond traders (fixed-income trading and underwriting surged 40% in the first quarter of this year alone). Some of the biggest payouts, of course, will be at Goldman Sachs, which has set aside more than \$11.4 billion (U.S.) so far this year, the lion's share of which will be funnelled into bonuses. That's as much as \$770,000 per employee-a big fat cheque that will equal, or top, the gravy handed out during the boom years. What's not to love about a recession?

-Boyd Erman

No.

9

Those Gen Y co-workers have suddenly realized they'll have to earn their BMWs

We know what you're thinking. We've been relishing the idea too: When the layoffs happen, it'll be last one hired, first one fired. Unemployment rates are skyrocketing among the youngest segments of the work force (July Statistics Canada figures nudged past 16% for those 24 and under). And don't think the boss hasn't noticed who's been leaving the office early. As economist Todd Hirsch gleefully noted in a *Globe and Mail* article earlier this year, the recession has been "a big bucket of reality splashed in the face of Generation Y." All of which means that your Me-generation colleagues are finally putting away their iPhones and asking what they can do for *you*.

-Carol Toller

No.

10

You're getting a new suit

Very little about the Brooks Brothers' Madison Two-Button 1818 suit is surprising, or even remarkable: It is single-breasted and double buttoned. It is available in navy and grey. And it fits more or less the same way that it would had you bought it in 1909, when America's oldest clothing maker was based out of a shop in Lower Manhattan.

If the suit is remarkable at all, which it is, it's for the religious adherence to classic principles of style: More than just the quintessential Brooks Brothers suit, the Madison 1818 (\$1,298) is the quintessential *suit*. Brooks Brothers, of course, is the choice of not only presidents (from Lincoln to Obama) and Hollywood royalty (from Clark Gable to Chuck Bass) but also of young Wall Street types hoping to claw their way to the top. And now, finally, it is available in Canada; in recent months, Brooks Brothers has opened shops in Vancouver and Toronto. A Calgary outpost is planned for spring, 2010.

If it seems unusual that Brooks Brothers took so long to expand into Canada, keep in mind: This is a company that has not changed the pattern of a suit in more than a century. "Owning Brooks Brothers is a way to buy a piece of America," says Eraldo Poletto, who is overseeing the company's international expansion. "It stands for a culture that is egalitarian and at the same time very much in love with class." And while the American dream may have fallen on hard times, Poletto is unconcerned: "What's contracting is what didn't make sense." Brooks Brothers has always taken a long view of history, making staples rather than statements.

Makes sense, no?

-Benjamin Leszcz

No.

11

Because family time is overrated

No.

12

Wall Street would rather work on Bay Street

There was a time when Canadian banks couldn't hire any of the hotshots in the financial world. Too boring, too risk-averse, too parsimonious with pay and, perhaps worst of all, too based in Toronto. Now, hardly a day goes by when some high-rolling American or Brit financier doesn't slink into town to take a job as chief investment officer of this, or global managing director of that—all the while talking a good game about the importance of being cautious and the lessons that the Canadian banking system has taught us all. The incursion has included a handful of notable expats, such as David Rosenberg, who recently returned from Merrill Lynch to join Bay Street's Gluskin Sheff + Associates, and Harry Culham, a Canadian who worked as one of two heads of foreign exchange at Merrill Lynch in London before coming home to steer the fixed-

income and currencies business at CIBC World Markets. Maybe they just need the money, or maybe they're onto something: While the rest of the world has faced two years of financial crisis (and counting), here, bank profits are strong, bank stocks have rebounded almost to where they were before the mess, and there's still nary a bailout in sight.

-B.E.

No.

13

Because the interns have been eyeing your parking spot

No.

14

You won't have to "tweet" after all

How hyped is Twitter? Consider this: According to one news-monitoring service, Twitter got the equivalent of \$48 million (U.S.) in publicity from enthusiastic reporters over a mere 30 days this summer. It's the kind of buzz that causes whole marketing departments to foam at the mouth, practically begging their CEOs to hack out their first tweets.

The reality? Research suggests that well over a third of people who sign up bail after the first message. The same data suggest that most users have very small circles of Twitter friends, listening instead to broadcasts from self-promoters (hello, Oprah). Twitter works best for people who are colourful, revealing, breathy or quirky-not always the image a CEO wants to project.

So it was that Warren Buffett signed up...and tweeted exactly once. Procter & Gamble prez Alan Lafley signed up and didn't say anything, which looks worse than not signing up at all. Peter Aceto, CEO of ING Direct Canada, has done well by issuing dignified (if unexciting) tweets for a modest couple of thousand followers. Richard Branson has fared better, performing for an audience of about 150,000-but then, he's Richard Branson.

In the end, Twitter is a peculiar medium that rewards peculiar people. It's an obvious fit for bosses who seek a stage on which to perform. But, for those who don't seek attention, there's not much point.

-Ivor Tossell

Look who's tweeting

50%

Haven't tweeted in a week

20%

Have never tweeted

5%

Have more than 100 followers

No.

5%

Do 75% of the tweeting

20%

Everybody

else

Source: sysomos.com/insidetwitter/

No.

15

Happy hour

With *Mad Men* starting its third season, it's time to revisit an old truth-nothing rewards a hard-working executive like a glass full of well-mixed premium alcohol. We suggest the Tamarind Sour (\$14), now appearing at Toronto's Nota Bene: Two ounces of brusque rye, lime juice and egg white, augmented with a splash of house-made tamarind syrup and a few rye-soaked raisins. Don Draper would surely approve.

-D.B