



# Reconstructing Gene Fowler

*By Alec Bruce*

**Gene Fowler, former owner of what was — for a time — one of Canada’s most successful animation studios ponders the future of his newest entrepreneurial love interest and asks how many lives a FatKat has.**

**To** find the man who once employed more than 100 people to animate TV shows for networks around the world, you enter a side door of a slouching pill-box house in what passes for a downtown in the northern New Brunswick city of Miramichi. You climb a sagging staircase two flights until you reach a desk where a receptionist should sit, but doesn’t, before you venture down an aisle past rows of unoccupied tables arranged like work stations in a Third World garment factory. And then you spy him, standing in a far corner, squinting into a computer screen. He sports a ratty cap atop a serious case of bed-head, and you think he, like his office, has seen better days.



Though Gene Fowler probably couldn't have imagined it at the time, the loss of FatKat and its attendant stress was a good thing. He was hospitalized for 10 days with heart trouble; he reports that everything appears to be fine now.

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But Gene Fowler is smiling. He is happy. Finally.

“You know, during the worst of it, the local newspaper did eight stories on me,” he laughs. “They just tore the shit out of me. It got to the point where I couldn't even go out to the pub with my wife without people staring and whispering behind their hands. ...In this town! My town! People had elevated me to CEO status and gave me lots of glass and brass. And I was probably the most miserable I have ever been.”

We're sitting, now, in a part of the studio where artists might once have congregated to commiserate about brutal deadlines or intractable clients. Before the end. Before the whole thing came crashing down in an avalanche of debt and recrimination in the spring of 2009. The couch on which Fowler reclines embraces him like an old friend as he speaks softly and candidly about the final days of FatKat Animation, the company that had been his singular preoccupation for 10 long years.

“When the recession hit in 2008, that's when the phone stopped ringing,” he says. “And there was mismanagement of the production in-house. It was a big operation. Towards the end, we were handling \$8-million contracts. Then, a distributor pulled out and left us with a massive gap in financing. We hobbled over the finish line and then I had no choice but to close the company.”

In fact, he went bankrupt, personally owing more than \$2 million to creditors. “FatKat was never profitable,” he says. “Not one year. ...Okay, I think we made maybe five grand in 2004. The problem was that everyone was on salary. We became slaves to the salary. I became a slave to the workers. ...And all the while, people were saying, ‘Oh, you are the best. You are doing amazing.’ And I'm thinking, ‘What the hell? No I'm not. I'm just trying to stay alive.’”

Still, he shows no sign of bitterness or self-pity. He talks like a man who's been forged by fire, somehow ennobled by his misadventures. Maybe it's simply that he's managed to stay out of trouble since shuttering FatKat and laying off dozens of employees, or that he's fully embraced what HR gurus like to call “an appropriate work-life balance.” More likely, though, his sanguinity is a consequence of his newest entrepreneurial love interest: A little outfit he calls Loogaroo.

“I've taken all the lessons I learned at FatKat and applied them here,” he explains. “This is a very small creative shop. Now, work comes to me. I don't

really have to chase it. We're not restricted to big clients and their MBAs telling us what we can and can't do. We do what we want to do.”

Indeed, where FatKat was obese and unwieldy, Loogaroo, founded just three years ago, is lean and nimble. Fowler directly employs no one, but, instead, maintains a virtual crew of as many as 12 contractors (most of whom are his former senior staff) who work on various animation projects, such as explanatory videos for the commercial learning sector and apps for the Istore.

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He pauses, as if to count his blessings: He has a good relationship with his wife and five-year-old son; he plays bass guitar in a local band, a hobby he picked up six months ago; he's rarely in the office after 5:30 in the afternoon. In fact, he now has everything he could ever want.

Well, almost everything.

He leans forward from his perch and confides, almost tremulously: “You know, I hope I don't jinx it, but we are 90 per cent sold on a big, friggin' TV production account. It's a pre-school kids show. It's animated and it's international in scope. ...This place is going to be full again. ... Loogaroo is on it's way up!”

He slips back into the couch and raises an eyebrow, and you can't help wondering if he's thinking: “I know, I know. I must be nuts.”

**Born 35 years ago** in Miramichi, and raised and educated there, Fowler has rarely resisted the lures of his entrepreneurial nature. They are, after all, bred in his bones: His mom and dad ran a restaurant, and his grandparents were shop keepers in England. But, as is sometimes the case among the determinedly self-employed, he actually came to business ownership thanks, in part, to another's failure. “I was working as an animator for a small company in Halifax in 1999,” he says. “Eight months after I arrived, it shut down. So, I put my portfolio up on the web, and within days I got a phone call.”

The man on the other end of the line liked what he saw and hired Fowler for the then-seemingly enormous sum of \$10,000

to design characters and flash cartoons for training videos. "Actually, I had to figure out what a flash cartoon was as I had committed myself to something I didn't know how to do," he laughs. "Luckily, a buddy of mine did know what he was doing, so we got some guys together, and away we went."

By 2003, Fowler had relocated FatKat to Miramichi where he poured his creative energies into making the firm an innovation powerhouse and, in the process, the talk of the worldwide, web-based animation community. "We were probably one of the first studios to carry a blog," he says. "We put everything on there ... the good stuff, the bad stuff, even the retarded stuff, including news of our drinking parties. And when we went to conferences, we wore bright red hockey jerseys and hats. We stood out. Pretty soon, people from all over North America wanted to work with us."

The growth curve steepened almost immediately, as projects of increasing size and intricacy flooded in: advertisements; interactive web design; and animation gigs and development deals for popular, international television programs for kids, including Skunk Ful, Chaotic, SuperNormal, and Three Delivery. Significantly, Fowler was also taking on debt to finance his expanding operations.

"We went to the feds for funding in 2004," he says. "We needed a sales guy, and ACOA helped us out with a salary subsidy. For six months this guy was bringing in the wrong stuff. So I took him aside and showed him a contact for a TV show. I told him to bring in more projects like this. Then he went out and grabbed a job worth \$3.5 million. That's when I went out and hired 40 people."

By 2008, the young turk was at the top of his game and he had the "brass and glass" to prove it, having been named (the year before) one of Atlantic Canada's Top 50 CEOs by this magazine, a Business Development Bank of Canada Young Entrepreneur of the year, and a charter member of the entrepreneurial leaders program at the Wallace McCain Institute at the University of New Brunswick.

But all the accolades and outward signs of commercial success only masked a serious fracture in the foundation of FatKat's business model — a crack that, ironically, widened with each new triumph. "When I got a new gig, I would try to fit it into the production system," Fowler explains. "Ideally, when you start something new, especially if it's big, you want to time it with another project that's just finishing up.



That way you don't have to double your staff and overhead. Unfortunately, TV doesn't always work that way. Your client says, 'No, if you want this job, you're going to have to start it when we tell you to start it.'"

Seemingly overnight, the business became a rat race of nightmarish proportions. As one team of FatKat artists struggled to finish a project, a new gig necessitated hiring a fresh crew. When the first group finished, Fowler scrambled to land yet another job to keep them productively engaged. Before long, as the debts from government loans and guarantees mounted and the gathering recession had begun to pinch off profitable opportunities, the company's full-time workforce ballooned to more than 100 variously occupied individuals — a circumstance that could only remain sustainable if work kept flowing through the door.

Fowler shakes his head. He's no longer haunted, but the memories still sting. "So, here we were with this big show, Three Delivery, for YTV," he says. "It was a kung fu show for kids, and we had already started it. Then, suddenly, \$1.6 million was plucked out of the budget. Just like that. The distributor had pulled out. Well, what was I supposed to do? Lay off 80 people? I mean, are you mad? So, no, we borrowed 500-grand from the (Government of New Brunswick) and we finished the show. We made no money. I was personally secured on \$2.2 million for the business. I closed it all down. The banks forced me into bankruptcy. ...And that was that."

Well, not entirely. The news hit his hometown — which was already reeling up

Alone but not lonely: Gene Fowler is a lot happier toiling away by himself, assisted by virtual staff working on contract, than he ever was as a FatKat. Then, he was responsible for finding enough work to pay the salaries of 80-plus in-house staff.

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from the recent loss of other major employers — like a scud missile. The *Miramichi Leader* ran an eight-part series on what went wrong at FatKat. The blogosphere lit up with commentary, alternately praising its founder for his heroic efforts and vilifying him for his apparent shortcomings.

For his part, Fowler was — and remains — unapologetic. “Every employee was paid, and so was every creditor ... mostly,” he says. “The only one owed money was, unfortunately, the government, and it’s never going to lend me anything again. But I wasn’t about to tarnish my name by not delivering that show. I still have a great relationship with YTV because I delivered that show. In fact, I still have a great relationship with all my clients because I delivered that show. ... That’s the only reason why I’m still alive right now. That’s the only reason why I’m not working for someone else right now.”

**The slight tan** would seem out of place on this unseasonably cold November afternoon, but for the fact that Fowler has just returned from a few days in Jamaica. Still, it complements the angled

features of his face and nicely frames the broad grin he’s wearing as he expounds on the graceful symmetry of entrepreneurial endeavor.

“You see,” he says, “loup-garou is french for ‘werewolf.’ So, we just spell it phonetically, as in ‘loogaroo.’ You get it? We’ve gone from being a cat to a dog.”

Yes, yes, and dogs chase cats. Perfect. But let’s get back to this matter of balance. After all he’s been through in his young life, at the leading edges of both stunning success and certain catastrophe, what would possess him to once again go for, as he describes it, a “big, big contract” that will require him to “hire another 40 people” and maybe put them on salaries? Is it really just to see things “explode” around here?

“It’s evident I am the right guy for the job,” he asserts. “It’s a personal show, an easy show. There’s also a sideline that fits right into Loogaroo. The first part of the project is television production. The second part is apps for mobile devices. So, we’ll be able to take our own games into the marketing production line with the client, whose little character will say something like, ‘Check out Loogaroo’s awesome game this week, and it’s endorsed by me ... blah, blah, blah.’ So, man ... yeah I’ll take that

gig, even if it means growing to 60 people again.”

Yet, the obvious must occur to him.

“Look,” he says, “entrepreneurship runs in my blood. But this is entrepreneurship version 3.0. I am so much more watchful now. I appreciate what I have so much more than I did before. I know my limitations. I understand the Peter Principle and how it applies to me. Hell, I have an advisory board of high-level finance and production people. And we meet every quarter. And if we get this big contract — which would, by the way, be the second-biggest contract we’ve ever handled — we’ll be meeting every month. So, the checks and balances are there to ensure we don’t go off track.”

Fowler whips off his cap and runs a hand across his scalp.

“If you want to know the truth ... I am a little scared ... I’m scared of what will happen when the job is over.”

Then, another brilliant smile, another winning aphorism: “But I know I’m a one-legged man walking through a forest full of bear traps.”

Which is, apparently, where this former fat cat, now lean wolf, belongs.

Happy. Finally. | ABM

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