How One Iconic American Brand Got Back on a Roll

WHEN ROBERT PASIN JOINED Radio Flyer, the iconic red wagon maker founded by his grandfather in 1917, the company wasn’t growing, and wasn’t profitable. Pasin was named CEO in 1997 and shifted Radio Flyer’s focus from manufacturing to product development. The company has since been on the Inc. 5000 four times. In 2015, sales topped $100 million. Pasin explains how he got the company rolling again. —SHEILA MARIKAR

Photograph by PETER HOFFMAN

PUT FEET ON THE GROUND
Shortly after Pasin became CEO, he recognized one of Radio Flyer’s greatest weaknesses: It had no system to see how customers were using its products. The company began working with market research firms to find out. Product designers were sent to homes, zoos, and playgrounds around the country to see firsthand the ways kids were riding the wagons, tricycles, and other items Radio Flyer makes, and, in 2011, a Play Lab with a “test track sidewalk” was installed at the company’s headquarters in Chicago. “We’d videotape how they ride the product,” Pasin says. “We’ll say to Mom, ‘OK, take this wagon and put it into your trunk,’ and then we watch: Is it clumsy? Is it awkward? We spend a huge amount of time observing the ergonomics of our products because people are riding them.” Observation has paid off: While watching toddlers ride their toys, Pasin’s team came up with the idea for a scooter with a wider deck that would offer a less wobbly ride. “We went from not having a product in this category to becoming the No. 1 brand and product in scooters for little kids,” he says.

TAKEAWAY Overhauling your staff may be necessary to get out of an institutional rut.

BUILD A CULTURE DELIBERATELY
In 1997, when Pasin made his first hire, Radio Flyer had no hiring process or HR function. That continued until around 2004, when he began looking at lists of best places to work and set out to get on those roundups by building what he calls “a culture of excellence.” This includes an onboarding and assimilation process for new employees that encourages them to build internal relationships, and internal classes to grow talent (called Wagon U). Communicating was key. “Before,” says Pasin, “we never had company meetings unless we were announcing bad news.” He also implemented an internship program to entice all-star students in engineering, industrial design, and other fields to join the team. “That’s a significant feeder of talent into our company,” Pasin says. Radio Flyer offers nice perks: flex time, parties for employees and their families, a wellness reimbursement program, an exercise room, and a garden with a walking path at Chicago headquarters. Last year, Crain’s Business Chicago ranked the company the seventh-best place to work in the city, calling out its employee incentives and philanthropic efforts. Radio Flyer donates thousands of wagons to local and national charities.

TAKEAWAY Leaving your company culture to chance guarantees stagnation.