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Radio Flyer toys bring smiles, create memories

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Robert Pasin is president of Radio Flyer, the largest producer of wagons and tricycles in the U.S., which recently was awarded third place in the small/medium employer category in the Best Places to Work in Illinois competition. He recently sat down with The Business Ledger publisher Bob Strasser and editor Jeremy Stoltz. The following are excerpts from that conversation.

Q: Can you give a brief history of Radio Flyer?

A: Radio Flyer was started by my grandfather, Antonio Pasin, in 1917. He was a cabinet maker who came from Italy, and when he first came to Chicago he worked in a variety of different jobs on the west side of Chicago. Eventually he opened up a small garage and started making phonograph cabinets.

The phonograph cabinets were the tall, wooden Victrolas, but soon he was selling more wagons than Victrola cabinets, because people came into his workshop and were buying replicas of the little wagon he had made to haul tools around.

He called the first wagon he made the "Liberty Coaster," and he called it that because when he came in through Ellis Island he saw the Statue of Liberty, and he was always trying to connect the names of his products with the promise of America.

Q: Did Radio Flyer continue to experience growth after the creation of the "Liberty Coaster?"

A: Yes, after he started making the "Liberty Coaster" wagon the business grew, but one of the pivotal moments was when he was visiting a machinery supplier and was introduced to the metal stamping, production, and technology of the auto industry. He had the idea to apply that same production and technology to a wagon, and that was what enabled him to mass produce it and bring the cost down.

Afterwards, his slogan became "for every boy, for every girl," and some of his vendors used to call him "The Little Ford" because the way he produced the little red wagons was very much like a mini auto plant.



Robert Pasin, president of Chicago-based Radio Flyer, believes his company's recent designation as one of The Best Places to Work in Illinois is due in large part to his employees. "We believe in the whole concept of getting the right people on the bus first, and then those people will take the company to where we want it to go."

Q: Where was the first Radio Flyer plant located?

A: The first plant was located on the west side of Chicago, and in 1930, he moved to the location where we're at now at 6515 W. Grand Ave.

Q: Is the Radio Flyer plant still a manufacturing facility today?

A: Currently what we do at the plant is mostly research and development. We do a lot of work with developing products, and then we also take care of sales, customer service, marketing, finance and IT.

Q: What do you think allowed your grandfather, Antonio Pasin, to be so successful and propel Radio Flyer to where it is now?

A: I think a couple of key ingredients came together to make my grandfather successful. First, he had a skill that he was able to put to work with building things out of wood. Next, I think he had a really good personality. He smiled all of the time, and people really connected with him. So I think his great personality, work ethic and his skill all came together to give him a lot of success.

Q: Radio Flyer has now been named to the list of Best Places to Work in Illinois for two years in a row. Were all of the different aspects and qualities that make the company a great place to work founded by your grandfather and continued throughout the years, or have those developed since you have worked at Radio Flyer?

A: I think Radio Flyer became a great place to work starting with my grandfather. He was a first generation immigrant, and his first years in America were very difficult. He did not speak the language, and he had some really tough jobs in the beginning. Therefore, I think he always really empathized with the working person.

His first employees were pretty much all Italian immigrants, so he would have an English tutor come in and teach the workers English, and he had a really good cafeteria with an Italian cook that made great Italian food for the workers.

So, I think the qualities that make Radio Flyer a great place to work started with my grandfather. He was always committed to making his company a great place to work, so it is something that has been part of our culture really since the beginning.

Q: How did you get involved with Radio Flyer?

A: I graduated from Notre Dame in 1991, and then I did a year of volunteer work where I taught sixth grade on the west side of Chicago. Afterwards, I began working for Radio Flyer.

Q: Did you always know you were going to work for Radio Flyer or did you think you were going to be a teacher?

A: I knew I did not want to be a teacher, but I had spent many of my summers growing up working for Radio Flyer. Very early on I fell in love with the brand and the emotional attachment that other people have with the brand, and I saw a lot of opportunity to build on that in the business. So once I graduated from college, I knew that I wanted to work for Radio Flyer and see if it would be a good fit.

Q: Why do you think consumers have such an emotional attachment to Radio Flyer?

A: Whenever I tell people that I work for Radio Flyer, the first thing that people do is smile, and then they usually tell a story about what they did with their Radio Flyer wagon when they

were a kid or how they may use it today with their grandchildren.

I think people have such a great emotional attachment to the wagons because so many people grew up with them, and the wagon is such a simple, enduring product. Often times, a Radio Flyer wagon was part of a kid's first adventure, and the wheels represented motion, freedom and imagination. Those attributes are what I think cause people to have these warm feelings about Radio Flyer.

Q: What was your first position at Radio Flyer?

A: I started in the sales department at Radio Flyer, and I was working for the vice president of sales. Basically, I was calling on small accounts, and my job grew over time. Then in 1997, I became the president of the company.

Q: When did you start with Radio Flyer?

A: I started in 1992, so it was a very short period of time that I went from working in the sales department to being the president. At the time, my brother Paul was also working for the business and was running our factory operations. Now, he lives in Hong Kong and heads up our Radio Flyer team in China.

Q: Radio Flyer started off with a single product. What product changes have occurred over the years?

A: Within six months of my start date with Radio Flyer, two competitors came out with plastic wagons. We did not have any plastic wagons at the time, so I had said that we were "asleep at the handle."

We were not in touch with the external environment, we were not in touch with consumers and we did not have a really vibrant product development team in progress. Therefore, those two plastic wagons from our competitors basically killed our best-selling wagon and took huge sales away.

It was really a crisis moment with sales being soft, and we were not being profitable. So we had to scramble to figure out how to make a plastic wagon and what a Radio Flyer plastic wagon would mean to a consumer.

Now, whenever a new employee starts with the company, I give a presentation called "Reinventing Radio Flyer through Goof Ups, Growth and Gratitude." I talk about how during this time we made a lot of mistakes, learned a lot and were ultimately able to come out with a plastic wagon that became the best-selling one on the market and has yielded a lot of success.

Q: If Radio Flyer had not developed a plastic wagon, do you think the company would still be around today?

A: Absolutely not. If we had not figured out how to compete in that way, then we would have definitely been out of business or sold the company.

Q: Are the majority of your products plastic now?

A: The majority of our wagon sales are plastic, but wagon sales now account for less than a third of our total business. Thus, in addition to figuring out how to produce a plastic wagon, we also went into a category of tricycles, which was completely new to the company.

When we came out with our first tricycle 10 years ago, our goal was to come out with the tricycle that everyone remembered having as a kid, even though Radio Flyer never made that

tricycle. We wanted to give all of the visual cues – the chrome, the big bell, the shiny red frame – and by coming out with that, we saw immediate success that we then followed up with more tricycles. Now, Radio Flyer is the number one tricycle brand in the U.S. as well.

Q: What are some of the other new products that Radio Flyer has developed?

A: We have really focused on developing anything that kids ages seven and under can ride on. We have wagons, tricycles, scooters and what we call foot-to-floor items, where a child just sits on the item and pushes along with their feet on the floor. All of these items represent a pretty big category, and coming out with the new products is what has really propelled our growth.

Q: In addition to your grandfather's philosophy, what else has inspired the different qualities that has made Radio Flyer one of the Best Places to Work in Illinois for two consecutive years?

A: I am a big believer in Jim Collins' book "Good to Great" and that has served as some of the intellectual framework for how we are trying to really build a great company.

At Radio Flyer, we believe in the whole concept of getting the right people on the bus first, and then those people will take the company to where we want it to go. About six years ago, we set it as an actual goal for Radio Flyer to be one of the best privately owned companies to work for in America, and we also wanted to be recognized for that.

The reason we set that as a goal was because we knew that the only thing that was really going to fuel our growth was our ability to get great talent on board at Radio Flyer. By combining our brand with great talent, we feel like we are going to get growth and success and have a lot of fun along the way. And one of the reasons why we are so committed to it is because it has been working.

Q: What are some of the things that Radio Flyer does for its employees that make it one of the Best Places to Work in Illinois?

A: When people talk about the best places to work, there is usually a lot of talk about the list of perks that a company has, and I think it is important for a company to have those.

At Radio Flyer, we have a lot of events and celebrations, and we compensate people well, along with a really great benefits package. But I kind of view that sort of thing as the ante to get into the game. I think one of the things that makes us such a great place to work is that the people who work here really know and see how their work affects the company's results.

Our mission is to bring smiles and create warm memories, so we don't only appeal to people's heads, we appeal to their hearts. So it is a great place to work from the benefits, but it is also a great place to work because the people here know that we are creating products that really make people happy and create fond memories and bring families together.

I think the other thing that we are really committed to here is, when people work here, they really grow as people. We have a learning development program at Radio Flyer called "Wagon U," and for a company our size, it is really a top-level learning and development program.

I think another thing we do here that really makes us a great place to work is that we have a very structured, clear goals process so that we have key company goals every year that we share with everyone in the company, and then each individual's goals line up to the company's goals. We call it "line of sight," so the goals that I am working on, I know how they are

affecting the company goal, I know how the company is doing and I feel that I am having a major impact and making a difference.

I feel that is where people can get really disillusioned and disenfranchised if they are just working away and have no idea if they are making a difference or if anyone's noticing, especially if they are not getting any feedback. And we try to do the opposite of that.

Q: What does being named one of the Best Places to Work in Illinois mean to you and the company?

A: For us, being on the list of Best Places to Work in Illinois is first a seal of approval. It is literally a sign we can hang on the front of our building, it is something we can put on our Web site, so when we are looking at a new employee and trying to attract someone, they can see that there has been some objective measure that this is a good place to work.

That is really important to us, and we find that when we're recruiting people, by having that recognition, we are getting calls back a lot more than without having that recognition, even with a great brand like Radio Flyer.

Q: What is Radio Flyer's biggest challenge right now, and where do you see the company in five to 10 years?

A: Our biggest challenge right now is actually filling open positions with top talent. We have about 20 open positions in our Chicago office with 70 people here currently. So we have a very high percentage of open positions for a company of our size, which is definitely a challenge.

One of the reasons why we have so many positions open is because it is our goal to double our sales in the next five years. The only way we are going to do that is if we get top talent on board. A lot of our positions right now are in product development, so we are looking for great industrial designers and mechanical engineers who can come out with all of our great new products that are going to fuel that growth.

Q: How do you plan to reach your goal of doubling sales in the next five years?

A: I think that where that growth is going to come from is anything that kids can play with outside. I think that our brand makes sense with that. One of the things that we get really fired up about here is the fact that we get kids outside and active and playing, and this has become so topical now with childhood obesity and kids sitting in front of screens all the time.

We feel like we can position ourselves to be the antidote for that and be mom's helper for getting kids outside playing. So I think that when we look at what new products we're going to get in to, those are the kind that we look at.

Q: Outside of work, I know you like to run marathons. How did you get involved with that?

A: I started running to really try to gain control of my health after developing bad eating habits and rarely exercising. I had previously never been an athlete, and the only time I ran before was when I was forced to.

I thought it would be cool to run a marathon, and I thought it would be a great goal, and it would motivate me to get going. I ran my first marathon in Chicago when I was 30 years old, and I finished in about four and a half hours, and I was hooked at that point.

I thought I was only going to run one marathon, but the thing that got me hooked on it was

just the energy of that event with the people cheering and all the inspirational stories of the people running. I just fell in love with it. I started running more, and basically over 10 years I was able to shave an hour off my time by losing weight and getting a little smarter about how I trained.

It was always a life goal for me to qualify for the Boston Marathon, and one of the key ways that I was able to do that was by turning 40 and getting five more minutes off of my qualifying time. So this past April I ran the Boston Marathon, which was a thrill.

Q: What are some of your other interests outside of work?

A: My wife and I have four kids, so we are kept very busy, and we like to play outside with a lot of Radio Flyer products and also a lot of our competitors' products. Another one of my main interests is working with video and photography. I do a lot of home videos of our kids and edit them on iMovie and really have a lot of fun with that.

Q: I assume that your kids like the Radio Flyer products better than the competitors' products?

A: It depends, they are very good critics. When I bring different scooters home, they'll definitely tell me which ones they like more and why, regardless of whether they're Radio Flyer or not.

Q: Do you see yourself working at Radio Flyer for the foreseeable future?

A: Definitely, I feel like we're just getting started at Radio Flyer, and there's so much potential and opportunity for growth, which really gets me excited about what we are building with the company.

Q: Do you enjoy your job?

A: Yes, I love it. One of the things I talk about in the gratitude section of my presentation to new employees is the fact that I'm here because I was lucky enough to be born into the family that started Radio Flyer. And one of the things that makes me so motivated to build the company and make it into something really great is that I feel like I owe it to everyone that's gone before us here at the company.

The reason why our brand is so strong is because of all that work through the years that all of the people here have done, and I think we kind of owe it to them to make it even bigger and better for the future.

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