



From this week's Focus

Robert Pasin

By: [Bob Tita](#) November 03, 2008

39 CEO, Radio Flyer Inc.

As the grandson of the founder of Radio Flyer, Robert Pasin always knew how important the company was to his family. What he didn't realize was how much the bright-red wagons meant to generations of other families.

Mr. Pasin recalls getting his first insight into the origin of the wagons' enduring popularity while writing a report about the company in the sixth grade. His grandfather, Antonio Pasin, an Italian immigrant who started making wagons in 1917, took a big chance on raising the company's profile by borrowing \$30,000 for an exhibit at the 1933 World's Fair in Chicago. A few years earlier, he'd named his wagons after two inventions that had captured the public's imagination: radios and airplanes.

The fair exhibit — known as "Coaster Boy," a 45-foot-tall model of a child riding in a wagon — was a huge hit with fairgoers, providing a sales boost for several years.

"I didn't really know that whole story," says Mr. Pasin. "That's when I fell in love with the brand and the wonderful heritage of the company. People have this strong emotional attachment to our brand. It's usually from warm memories of their childhood."

Connecting parents' fond memories to Radio Flyer's current product line has been a primary feature of his strategy.

Mr. Pasin began with Chicago-based Radio Flyer in 1992 as vice-president of sales, then succeeded his father as CEO in 1997. Since then, the company's revenue has quadrupled, to about \$130 million a year. While toy industry sales overall have been flat in recent years, Radio Flyer has grown at a 15% to 20% clip annually. That's due in part to increased sales through major retailers, such as Wal-Mart Stores Inc., which now offers a dozen Radio Flyer products, up from just three a few years ago.

Despite the intensifying competition from much larger toymakers, Mr. Pasin has eschewed offers to sell the company and passed on making any acquisitions, opting instead to use the company's 80% marketshare in children's wagons as a platform for expanding into other ride-on toys, like tricycles and scooters.



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"They definitely leveraged their reputation and the quality" of their wagons, says Reyne Rice, toy trends specialist with the Toy Industry Assn. in New York. "They really stuck to their core business and they built on that."

Some of Radio Flyer's biggest hits in recent years have come from resurrecting retro-style toys under the Radio Flyer name that the company had never manufactured previously.

"Our goal was that when customers see our tricycle, they'd say, 'That was the tricycle I had as a kid,' even though it wasn't, because we didn't make tricycles when they were a kid," says Mr. Pasin, who has four children. "When

we came out with it, it quickly became the best-selling tricycle on the market because we were giving people the visual cues that they remember."

Radio Flyer also has scored with new product innovations, such as a scooter designed for young children, that Mr. Pasin credits to the company's emphasis on product development and market research. In the past six years, he's increased Radio Flyer's engineering staff in Chicago to 20 from one, along with 10 engineers in China.

Five years ago, Mr. Pasin closed Radio Flyer's manufacturing plant on the Far Northwest Side, laying off 40 workers, and now relies mostly on contract manufacturers in China. His older brother, Paul, the company's chief operating officer, moved to Hong Kong to direct a staff of about 40 who oversee production, quality control and logistics there.

Mr. Pasin says closing the Chicago plant was his most agonizing decision as CEO, but he believes the move was ultimately the right one for Radio Flyer, whose products require more specialized materials and manufacturing equipment.

He admits the company has had its share of flops under his watch and he blames his own lack of experience for some of them. One such dud was a wagon Radio Flyer put out several years ago

featuring the popular kids' character Barney. The wagons came with a recording of the purple dinosaur singing about riding in a "little red wagon."

"I made a lot of mistakes," Mr. Pasin says of his early years managing the company. "I got a lot of responsibility before I probably should have."

He wants his employees to demonstrate the same candor and accountability, without forgetting the company's business is to provide fun for kids.

It's a point he reinforces with a 27-foot-tall Radio Flyer wagon — the world's largest — that sits in front of the company's Grand Avenue headquarters.

"I love what we're doing," he says. "There's a huge potential to build something bigger and to have a lot of fun."