

## How Robert Pasin dug deep to help Radio Flyer evolve its brand and its products

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It was a bitter pill for Robert Pasin to swallow.

Radio Flyer Inc. had spent decades producing millions of its iconic red steel wagons for children across the United States. The children who grew up with them had bought them for their children and those kids bought them for their kids. It was a tradition that could go on forever, or at least that's what the company had let itself believe.

But as the 1990s began, a new wagon, one made out of plastic, had begun appearing in stores and was an instant hit with consumers.

The part that was most painful to accept for those who worked at Radio Flyer was that they had not made this new plastic wagon. Even worse, as they looked at the way their company was set up, they weren't even capable of competing by making a plastic wagon of their own.

"We were a manufacturer, a steel stamper, and that's what we were really good at," Pasin says. "The way we were running the business was we were looking at what we could make in our factory and then figuring out if we could sell it."

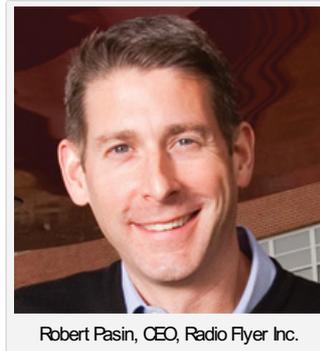
This mindset led the company to start a line of wheelbarrows and garden carts in the 1950s to go along with its wagons, all of which were made out of steel.

"We weren't in touch with the external environment as much as we needed to be or should have been," Pasin says. "So we weren't talking to consumers. We weren't asking moms what they wanted in a new wagon. That's why we were really caught off guard.

"If we had been doing those things, we would have known that this is something that consumers wanted."

This was the challenge that faced Pasin, grandson of company founder, Antonio Pasin, less than a year after taking over the company as its CEO.

"There was justifiable fear," Pasin says. "We were scared that we weren't going to stay in business."



Robert Pasin, CEO, Radio Flyer Inc.

### Accept the challenge

The fear was palpable around the offices of Radio Flyer. Complacency had played a role in where the company now found itself, but Pasin and his team had to find a way to get past that. They needed to act quickly if they were going to save this company that had become such a symbol of 20th century Americana.

"We had to come out with a plastic wagon if we were going to stay in business because this was where the market was going," Pasin says. "The challenge was that we really never had sourced a product before. Everything we had ever done, we made it ourselves. We didn't have anybody in our company who knew anything about plastic, and we didn't really have a product development team."

Pasin didn't try to sugarcoat the daunting challenge that Radio Flyer faced.

"We were just really honest, and we said, 'Here are the facts, here's what we're going to do, and we're going to keep treating people here as well as we possibly can,'" Pasin says.

It was an urgent time, no doubt about it. But Pasin didn't feel it was time to panic, and he wanted to make sure his people didn't feel it either. Plastic wagons were on everyone's mind, but Pasin was also thinking about mission, vision and values. These things would play a big part in the company's approach to making plastic wagons.

"We went through a process that included everyone in the company," Pasin says. "The best way to achieve change is to involve everyone in the change as much as possible. In our case, we were changing the culture, and we asked everyone a lot of questions over the course of a year.

"We had a companywide discussion and it started with, 'What was the company like on the first day you started?' We got vastly different answers from people who had been here for 40 years and people who had

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been here for months. But while the answers were different, there were these recurring themes that kept coming out.”

Those themes were integrity, passion and excellence. Radio Flyer had indeed dropped the ball by not staying in touch with its customers as their needs and desires changed. But the products the company was making were as well-made and strong as they ever had been. And that was something to build upon.

“It just became very evident that we had this great bedrock of a culture to build on, and it was really powerful,” Pasin says. “No matter what, there’s got to be some gem in a business or hopefully more than one gem. Otherwise, you’d be out of business. There’s got to be something good in there. The task of the leader is to find that gem. Figure out what’s unique or different about it and then build on it.”

Pasin saw how strong his team was and the talent that each person brought to the table. He just needed to figure out how to take all of those pluses and use them to build a process to make plastic wagons and then stay in touch with consumers to be more proactive and less reactive about the next big thing.

“If the leaders can go through in a very methodical and thorough way and unearth all that information, it becomes very clear what needs to be done,” Pasin says. “It doesn’t mean what needs to be done is easy. It’s very difficult or it already would have been done.”

### Set clear goals

Pasin wanted goals to be much more structured and clearly stated at Radio Flyer. It would help the company make a great plastic wagon, and it would ensure that, decades later, the company would not find itself in a similar situation of being out of touch with its consumers.

“Everybody in the company has five goals,” Pasin says. “Those five goals line up with the team goals and the team goals line up with the company goals. So there’s tremendous line of sight and alignment throughout the company for what we’re working on. Here’s what I’m working on and here’s how it’s impacting the success of the business.”

As a business, when you set goals, it’s critical that they align and that they be meaningful. Otherwise, what’s the point?

“They have to meet the SMART criteria,” Pasin says. “S is for specific. M is for measurable. A is for achievable. R is for return on investment. T is for time-bound. We work really hard to make sure everybody’s goals are smart in that way.”

There were some people in the company who provided evidence that they weren’t a good fit for what needed to be done going forward.

“I had a couple of guys say, ‘OK, now that we’re going to have these goals, how much more am I going to get paid?’” Pasin says. “I said nothing. These goals are not above and beyond. They are not extra. This is the most important stuff you’re supposed to be doing in your job. Those people aren’t in the company anymore.”

### Make tough decisions

As the company got into the details of making plastic wagons, Pasin gradually began to realize that a big change was going to have to be made: Radio Flyer was no longer going to be a manufacturer.

It happened over a period of years, but it was clear if the company was going to make plastic wagons and branch out into tricycles and scooters too, something had to go.

“There is no way a company our size can be great at all those things,” Pasin says. “One of the questions we asked ourselves to help us get clarity was if we weren’t doing this today, would we start doing it? And the answer was so clearly no.”

Pasin wanted to build relationships with design firms and have product development teams that would have their fingers on the pulse of consumers. In order to do that the right way, manufacturing would have to be cut.

“What are we passionate about?” Pasin says. “What can we be best in the world at? What drives our economic engine? Those three questions are huge questions. We decided that what drives our economic engine is profit per product. Not profit per product line. We had a lot of products we were losing money on.

“We decided we’re not going to do that anymore. We’re going to be much more rigorous on making sure that here’s a revolutionary idea for the business. We’re going to make money on everything we sell.”

Twenty years after the company faced its demise, Radio Flyer is flying high. Sales that were only \$20 million in 1992 now top \$100 million and the 70-employee company’s debt is minimal.

Pasin credits the success to a methodical approach that has the company positioned better than it’s ever been to continue growing.

“I would just sit down and list out on paper what I thought all the biggest problems in the company were and then I would do a ranking of what are the biggest problems,” Pasin says in offering advice to other leaders who find themselves in a tough spot. “Usually the biggest problems relate to the biggest opportunities. Then I would go to my team and say, ‘Hey guys, here’s what I think are our biggest problems and how we can make them opportunities.’” ●

**How to reach:** Radio Flyer Inc., (800) 621-7613 or [www.radioflyer.com](http://www.radioflyer.com)

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Born: Chicago

Education: Bachelor's degree in history, University of Notre Dame, MBA, Kellogg Graduate School of Management, Northwestern University.

What was your very first job?

My first job was working on the packing line in the factory. I was 18.

Did you see yourself becoming the CEO?

I would say no. I was starting to get very interested in the business, and I saw myself working in the business, but not necessarily as CEO.

What one person would you like to have met in the world and why?

The first person that comes to mind would be my grandfather — I could have lunch with him and talk to him about what's happening in the business and ask him questions about his early experiences. I never got a chance to do that while he was alive. I think it would be fascinating at this stage of my life to be able to do that.

Pasin on building a good team: The most important thing is are the people committed to where the company is going and are they highly committed to doing a great job. If I were ever to go into a turnaround situation, that's the first thing I would do. For the ones who aren't, move them out of the company as fast as possible. It's the best thing for the company and it's the best thing for those people. If they are not committed and into their jobs, they are just dying a slow death of meaningless work. I'd much rather have them do that somewhere else or find meaningful work that will make them happy.

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