

STRATEGY

How to Be More Than a One-Trick Wagon

How to infuse an icon with innovation



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CREDIT: Courtesy

I've always had a love/hate relationship with nostalgia. As the ceo of Radio Flyer, a company my grandfather started 99 years ago, I've been grateful to be part of something as iconic as the beloved Little Red Wagon. At the same time, I've had to battle with how to create a bigger future when all we've been known for is The Little Red Wagon.

People often ask: Do you make anything besides wagons? Do they come in any colors besides red? We've had forays into both--some successful, some not. Since starting work at the family business 24 years ago, one of my biggest challenges is trying to balance how we can stay true to our past and our brand while simultaneously trying new things. I often joke that we have Henry Ford's affinity for a single color offering: You can have any color wagon you want--as long as it's red. Ford's all-black Model T was a nod to efficiency but it lost sales to Chrysler when the newer company gave customers more color choices than black--and most importantly, the ability to make their own choices.

So should I be like Ford or Chrysler: Should red be our only color? Should we sell more than wagons? Early in my Radio Flyer career, I wrestled with these questions, as we were struggling to grow after 75+ years of selling similar products. I didn't know how to be both guardian and innovator for an iconic brand. How could I be true to my company's roots and still look ahead?

Fear can be a motivator--and I was terrified of us becoming a relic. So I went on a bit of an innovation rampage. We started spewing new products. One was a doll called Angel Love Wagon Babies, which we loved so much we even produced a commercial for it. Oh, baby, the doll was a disaster. You can see how bad on eBay. Another new product was a plastic wagon that was on first try too small and on a second try looked a lot--too much--like our competition, which had crushed our best-selling Town & Country wooden wagon. With these new items, we strayed too far from what we did. We lost ourselves.

But I learned a lot. The dolls were a bust, but the small toy wagons became a hit. And while copying didn't work, innovating did. The next two wagons we designed weren't

so hot, but the third iteration--the Pathfinder--with new patented folding seats, seatbelts and cup holders--was. This more versatile, SUV-of-wagons re-established our position as the No. 1 wagon maker.

Importantly, we mined these failures for lessons and started listening more deeply to consumers and observing their behavior. Something, admittedly, we had not been doing well before. With this renewed focus on customers, I learned a lot about what worked and what didn't with our brand by asking critical questions for every new product idea:

- What's the product's clear reason for being?
- Will a consumer know this product is our brand?
- Can we become the clear leader in in this category?
- What can we do that no one else can do?

Soon, the things that didn't work became like guardrails for us to steer clear of, and we leaned into focusing on the key strengths of the brand: outdoor play, wheels, transporting kids, fun... and, yes, red.

But while staying true to our unique legacy, we had to transform how we thought about ourselves. For nearly 60 years our company was called Radio Steel and Manufacturing. But we had to re-imagine ourselves as the premier "ride-on" toy company if we wanted to survive another year, let alone, 10 years, or another hundred.

This led to many new products, such as tricycles, which we first developed in 1999 and evolved into the No. 1 tricycle brand. (Tricycles come in red...and pink.) It also led to another bestseller, "My 1st Scooter," which has a super stable ergonomic design for beginning riders. We also launched a way for consumers to custom design their own Radio Flyers complete with seats, seatbelts, cup holders, storage, sun protection, and personalized with the rider's name.

Our past got us here, but innovating is what keeps us alive and fuels the future. Only five products that were here when I started remain. Everything else is new. With this strategy, Radio Flyer has grown its sales 5x and released dozens of great products that get kids outside and active, that parents love, and that build on the key strengths of our brand.

Most recently, we looked at battery-operated cars and asked how we could evolve into that segment. There was so much frustration from parents about the battery, which always had problems holding a charge. What if we did away with the old way and used lithium ion batteries? Parents could plug it in and the car would charge fast. We called Tesla and suggested a partnership--one of the oldest "transportation" products with one of the newest and most visionary on the planet. We just started shipping the Tesla Model S for Kids by Radio Flyer. Customers can currently choose red, blue, silver, or white.

As for the iconic little red wagon that represents our brand? That still comes in any color...as long as it's red.

Three Ways To Infuse An Icon With Innovation

1. Don't shy away from your limitations, or gloss them over--embrace them as your guide.
2. Teach everyone in your company to view your history and past failures as opportunities.
3. Lead your team to unlock your company's potential by asking questions from the customers' point-of-view--not from your own.

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