

Keep your eyes open

Why business leaders never stop studying the world around them

One of my mentors, Gerald Bell, of the University of North Carolina Kenan-Flagler Business School, once taught me that, “The external environment always wins.” I learned this the hard way, 23 years ago, when I joined the company started by my grandfather.



ROBERT PASIN

CEO

Radio Flyer Inc. — started in 1917 by Antonio Pasin, whose dream was “to bring joy to every boy and every girl.”

Robert is known in the company as chief wagon officer and earned his MBA from Kellogg Graduate School of Management at Northwestern University.

(773) 797-9133

cwo@radioflyer.com

www.radioflyer.com

Within six months of my start date, two of our competitors introduced plastic wagons that quickly became best-sellers, taking sales from our steel and wood wagons. It was a crisis for our business and a classic case of market disruption.

How had we missed the fact that consumers’ preferences had shifted to plastic? The brutal fact was that we had not been paying attention to the external environment.

Over time, we put in place mechanisms and practices for staying in close touch with the external environment.

Here are things that worked for us and can work for you:

Create consumer panels

Frequently ask consumers about your products and other products that they love. Since moms are the primary purchaser of our products, we formed “mom panels” that we meet with regularly to discuss trends, show new product concepts, etc.

Conduct observational research

Watch consumers actually using your products to see what they really do vs. what they say they do. Since kids are the primary users of our products, our marketing and product development teams spend a lot of time in people’s homes, backyards and driveways observing how kids play.

Keep an eye on the competition

Study other companies’ products to

look for ways to improve on what is in the market. Review their websites and read their product reviews. Use their products to learn as much as you can. People always ask me why I have so many competitors’ products in my garage — it is because I like to watch my kids interacting with other companies’ products and share those insights with our design team.

Spot cultural shifts

Look at other industries and product categories for emerging trends that could have an application for your business. One category we keep a close eye on is infant and juvenile products like strollers.

Conduct ‘retail detail’

Get as many of your people out into the customers’ world. Our primary customers are retailers like Wal-Mart, Toys R Us and Target. As part to our orientation, every new hire completes an assignment of going into the stores, making observations and reporting back. This engages all employees on day one to look externally.

Monitor social media

Listen to consumers through social media. There is so much information available, so you need to be disciplined in your approach to avoid overload. We assign team members to monitor various aspects — blogs, online reviews, Facebook comments, etc. — and report to the larger team.

We did eventually figure out how to make plastic wagons and those are now our best-sellers. More importantly, by staying close to the external environment, we have gained hundreds of insights that have led to many best-selling products enabling us to not just survive, but to thrive. ●



LINK UP with Robert Pasin on LinkedIn <http://linkd.in/Px7cCs>