

# Radio Flyer

Radio Flyer, famous for the "little red wagon" known to generations of children across America, has been made in the Austin west side neighbor of Chicago for 85 years. The company, founded in 1917 by Antonio Pasin, is still family owned and is now managed by the family's third generation.

Despite the company's huge name recognition, Radio Flyer is a small toy manufacturer employing 100 people. The company wholesales its wagons and diversified line of Radio Flyer branded products to Wal-Mart, other major toy retailers, as well as, Mom and Pop toy stores across this country, and in Canada. Selling to retailers in Canada, through the North Atlantic Free Trade Agreement (NAFTA), gives the company a competitive advantage because they can ship their products free of duty and other tariffs to Canada. But for Radio Flyer, complying with the Canadian Customs requirements under NAFTA has been difficult and confusing.

About four years ago, Radio Flyer's most popular wagon models being shipped into Canada, were audited by Canadian Customs to see if the majority of the component parts were made in the United States. When notified of this audit, Radio Flyer's executives turned to Louisa Elder, Director of the NAFTA Opportunity Center at the North Business Industrial Council (NORBIC) in Chicago for assistance. Ms. Elder helped the company comply with all NAFTA requirements and the company continued to do business with retailers in Canada. This service, provided free of charge by the North Business and Industrial Council, is available to any company seeking to export its products into Mexico or Canada. The North Business and Industrial Council is one of 40 Small Business Development Centers across the state supported by the Illinois Department of Commerce and Economic Opportunity and the U.S. Small Business Administration.

Two years later in Fall 2002, the company was again selected for an audit verification on four of its top selling models of toy wagons. They turned to Ms. Elder again. The four toy wagons being audited included the traditional red steel wagon, an "all terrain" steel wagon with large bubble tires, a wood sided wagon, and a wagon with a plastic body.

First Ms. Elder was able to get an extension of time to file the required paperwork from one month to three, thus giving the company sufficient time to contact its suppliers to get needed information. "Getting the extension was a very important to us," said Doris Meland, General Office Manager of Radio Flyer.

To help Radio Flyer comply with all NAFTA requirements, Ms. Elder visited the factory to meet with company officials and learn about all the component parts that make up the four wagon models being audited. All component parts--from the steel that makes up the wagon bed to the screws and nuts that attach the wheels and handles--must be identified as to their manufacturing origin. "Louisa came and met with supervisors on the shop floor to learn where every component part came from to prepare the report for the Canadian government" said Ms. Meland. Most of the Radio Flyer product is made at the Chicago factory, but certain component parts especially screws and bolts are imported from China. All components not made in America need to be verified from each supplier for the NAFTA certification.

"I had taken the NAFTA class offered by Ms. Elder at NORBIC, but the process still was very complicated. To have this free resource from the state is phenomenal. There is no way we could have done it ourselves. Unless you are an expert in this area and do this day in and out, it is very hard to understand," said Ms. Meland.

Ms. Elder sought "Certificates of Origin" from all of Radio Flyer's suppliers for the audit and guided the company through the paperwork associated with complying with the requirements. "Louisa got all of the information and helped us qualify under NAFTA, her help was invaluable" said Ms. Meland.

"We are a small manufacturing firm, and it would have been cost prohibitive for us to hire a NAFTA expert to help us. NAFTA is complex and confusing to understand, so this service is a great benefit for small manufacturer," noted Ms. Meland.

The North Business and Industrial Council (NORBIC) is a member of the Illinois Small Business Development Center Network, working in partnership with the Illinois Department of Commerce and Economic Opportunity's Small Business Development Center and the US Small Business Administration.