

Toys, books, hockey make quite a schedule

a v.i.p. and me

(very interesting person)

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Sept. 25-74 MN

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LOUIS BOARETTI:
Vice-President, Finance and Secretary —
Irwin Toy Limited
Chairman-Mississauga Library Board
Director-Mississauga Hockey League

ME: You have been Vice President at Irwin Toy for three years now. What interesting challenge is involved in working for a toy manufacturer?

MR. BOARETTI: There are two things really; one is the selection of toys, and second is our method of financing in that we have to build up very heavy inventories at the early part of the year, and then carry customers for a long time. We hold a show in Montreal in January and out of that we get 80 per cent of our orders for the year. The bulk of our business being for Christmas. There is more than one company at Irwin Toy; Ideal Toy, Tyco Canada and Transogram Canada Limited are considered part of the Irwin Group along with Kenner Products. Irwin Toy owns 50 per cent in Kenner Products and we operate the company with General Mills. It is just a changing business, particularly at Irwin Toy, where we are continually looking for new products. We do not create the products; we look toward items that have been successful in other parts of the world. Our market here is not big enough to do our own development, so we literally cherry pick the items. So the selection of these items and being able to make contractual arrangements to manufacture in Canada and the financial end of it is very interesting.

ME: How did you happen to get into this line of work?

MR. BOARETTI: About fifteen years ago, it was just a small company, and it was in the process of transition. I was in the appliance industry at the time, and one of my old bosses from my auditing days said there was an interesting challenge coming up, and I took it on.

ME: What did your job entail then and now?

MR. BOARETTI: At that time, we were considering going public in the United States market, so I became involved in the conversion into U.S. dollars of the old financial statements. Since then, of course, the company has grown like Topsy. Then I was secretary-treasurer. We went public in 1969 — we are the only public toy company in Canada. That was a very interesting challenge, sitting down and working with the underwriters and writing a prospectus and so on. Being Vice-President isn't too much different, other than I am responsible for all the corporate requirements under the securities commission and all the financing, along with some of the legal work.

ME: This is a desk job, which some people abhor; is this the kind of job you prefer?

MR. BOARETTI: I do — yes by all means. I am involved in a fair amount of general management and policy decisions, and this interests me and creates a great challenge.

ME: Do people present their ideas to your firm even though you don't produce them?

MR. BOARETTI: Yes, they do; what we do if a game idea or toy invention comes in is turn it over to one of our associates in the U.S. so it can be considered for the market.

ME: What other lines is your company working on?

MR. BOARETTI: We just recently entered an agreement where we are going into the above ground pools. There was a company — Ideal Recreational Products — in the U.S., and we have acquired all their tools. We will be selling them in Canada and the U.S.; this will be the first time we will be selling Canadian business, souvenirs, pennants, sweat shirts et cetera. That is really how the Irwin Toy business started back in 1929. It was the father who started it, and as his two sons got out of college, they got into the business; one is in sales and the other is in the general management end of it. We are probably one of the largest manufacturers of pennants in Canada; and likewise in the silk-screened tee shirts. We just picked up the Olympic rights for pennants for the Canada Olympics in '76. There are a couple of other items we are hoping to pick up the rights to. Because of the need for pre-school toys, we recently acquired Playco, which is a Canadian manufacturer of pre-school toys. One of the special new products we have is the Evel Knievel, a wind up affair. The day he jumped at the C.N.E. (Canadian National Exhibition), we ran a full page ad and it was very successful.

ME: With the new federal regulations involving TV advertisement, toy companies have had to use other methods to promote their products. How has Irwin Toy overcome this problem?

MR. BOARETTI: As you are probably well aware, we were one of the big TV advertisers, spending something in excess of 2½ million dollars a year in television advertising. We are looking towards non-TV and different types of newspaper advertisement and so on. We are prepared for this. We have been pretty well governing ourself on TV advertisement and sticking within the requirements of the code. Naturally it is a drawback, and strangely enough television advertisement did bring the price of toys down. Many of the televised ad toys were often sold as