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**ICCFA Magazine  
author spotlight**

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*Editor's note:* The Cemetery Impossible column is written by the staff of The Foresight Companies. **If you have a question you want to be featured in this column, please send it to danisard@f4sight.com.** Dan Isard or a member of his staff will call you to get more information and a recommendation will be provided via this column, helping not only you but also others who are facing similar challenges.

**MANAGEMENT**

All men might be created equal, but all mausoleum crypts are not. Any cemeterian who has a mausoleum knows that crypts on certain rows are more popular with families than others.

But you need to sell them all. Here's how to do it.

# Cemetery Impossible

## How can you sell every mausoleum crypt, even the ones on the less popular levels?

*Dear Cemetery Impossible,*

I built a new mausoleum and sales started off very strong. It is a six-level site, and sales of units in rows one, two and six are very strong. Sales of units in rows four and five are almost nonexistent. Is it possible I did something wrong in the marketing of the site?

*Dear Stuck With Rows 4 and 5,*

Too often we lose sight of what a mausoleum is. Most cemeterians see it as a series of crypts to hold human remains. To us at Cemetery Impossible, it is a sales chess game. The chess game has four predictable periods:

1. Pre-construction
2. Construction and sales
3. The longest period
4. The final period

If you think about it, this is similar to what goes on with a new ground interment area, but a mausoleum usually has a much shorter selling period.

In both cases, you cannot look at sales without looking at pricing, because pricing drives sales. They are the ying and yang of a cemetery. One has to be properly managed to keep the other component from failing.

Let me explain the position of each period in the cycle of sales.

**1. Pre-construction is the time to design and price your project.** Look at it objectively. Decide how this mausoleum fits into your master plan. Make sales assumptions. The sales assumptions are critical so that you do not overbuild.

A mausoleum can be built in stages, either individual buildings of 108 units (six wide by six high by three deep) or larger. If you are going to make an error, it is better to build something too small and sell out quickly than build too big and not sell out. Potential buyers often feel the need to act



when something is about to sell out.

Pricing in the pre-construction stage is critical. There is a cost to building something. That will be part of your consideration. The smaller the unit you build, the more it will cost to construct.

For example, a 108-unit mausoleum may cost \$100,000 (example for discussion purposes only), whereas a 216-unit mausoleum may cost not \$200,000 but only \$180,000.

The per-unit cost typically goes down when you build a larger facility.

However, that does not factor in the cost of financing. A larger project completed over a longer time period could end up cost the same per unit as a smaller one.

The initial cost of the units is the most important part of the ability to control sales. If you price yourself too low, you will sell out too quickly. If you set prices too high, you won't make sales quickly enough.

So how do you set the initial price of a unit in a mausoleum? What is the price of your grave, vault and marker? If that price is \$3,000 in your cemetery, then the price for a single mausoleum would be about \$4,000. If a mausoleum is going to be six levels high, not all units are going to be valued the same.

The least valued crypt is going to be the top layer (Level 6). Therefore, I would price that at \$4,000 (in this hypothetical case) and calculate the price of the other layers based on that starting point, as described in below:

- Level 5 should be about 10 percent more expensive than Level 6, or about \$4,400.
- Level 4 should be about 10 percent more

expensive than level 5, or about \$4,900.

- Level 3 should be about 10 percent more expensive than Level 4, so that is about \$5,400.

- Level 2 is typically the most valued, so that can be 20 percent above level 3, or \$6,500.

- Level 1 is usually more attractive than Level 3 and less than Level 2, so about 10 percent less than level 2, or \$5,900.

Note that the second level of crypts is generally the most valued by consumers, and is thus priced the highest. The bottom level (Level 1) is usually considered more attractive than Level 3, so its price falls between that of Level 1 and Level 3.

This hypothetical case has the average unit priced at about \$5,200, which should give you a good beginning profit, assuming your costs per unit are well below that.

These prices are your beginning point; you should increase them as you sell off inventory. For example, every time you sell off 20 percent of the inventory on a particular level, raise the prices 20 percent on the remaining units on that level.

For example, if I have six units in a row and I sell two of them, I will raise prices by 20 percent on the remaining four units. From that point on, every time I sell a unit, I will raise prices on the remaining units in that level by 20 percent again. However, the relative pricing could get out of whack if you do not adjust up and down as well as side to side.

In my experience, the most popular units

sold are the top units (in this case, Level 6), based on price, and the units on Level 2, because it's easy for people standing in front of them to touch those crypt fronts without reaching or bending.

So, back to the issue of relative pricing. After you sell two units on Level 6, you will increase the prices on those units by 20 percent, and all other units must be raised in price as well so their relative value remains equal.

Otherwise, in this case where you sold units on Level 6 and then raised the price of the remaining Level 6 units, you would end up with the crypts on that level being more expensive than the ones on the more desirable Level 5.

We want to keep the pricing locked in relative to supply, which will affect demand. If Level 5 and Level 4 crypts are the least popular, they will become more popular as Level 6 and Level 2 sell out.

**2. Construction and sales is the second phase and typically begins after a few years of sales** or upon selling, in this hypothetical example, about \$120,000 in units (approximately 20 of the 108 total units).

You have now recovered your total cost of development. As you move from conceptual to tangible, you will take your existing pricing and increase it by 10 percent, across the board. As the units become tangible, this causes an increase in activity and sales on the mausoleum increase.

Now the crypts on the highest row

might sell out—and those on the lower rows might, as well. As families who have been contemplating a purchase see sales increasing, they are motivated to stop procrastinating and start buying.

**3. The longest period is the period after construction.** As sales continue, raise prices as I explained above. This is the sustaining period. Nothing special occurs until the next period.

**4. The final period is ushered in when you have about 20 percent of inventory remaining.** This is when you do two things. First, let people know that you are in the final period—few chances to buy remain.

Second (hear the trumpets blare), when you have two years of sales remaining in the initial unit, announce a new site where you will be selling pre-construction.

The pricing on the existing units will be used to set the pricing on the newly announced pre-construction units. The new crypts will be priced 25 percent below the existing ones.

The final sales of the existing crypts are driven by the fact that they already exist, and there are few of them left. And the disappearing inventory pushes preconstruction sales in the to-be-built unit.

If you do things properly, you are not stuck with Level 4 and Level 5 as existing inventory forever. The crypts on those rows sell in harmony with the rest.

Running a cemetery is tough. Running one without a game plan for sales is Cemetery Impossible. □