

Business Management Consultants

are one of the most underutilized resources in the funeral service profession. When I received my Bachelor of Science Degree in Chemical Engineering from Georgia Institute of Technology and went to work for Eastman Kodak Company in Rochester, New York, I had no idea that I would one day return to South Carolina to work in the family business and then build upon that experience to help funeral home owners and managers understand how to reach their full business potential. I will now explain what integrated business management is and why consultants can be your best resource.

The “integrated management part” is a fairly straightforward concept. I know we all took anatomy and physiology classes in mortuary school and can understand the human body, so let’s use that as the basis for my example. Our human body is composed of many different parts: heart, brain, lungs, bones and muscles, to name a few. When all parts work in harmony, they allow us to be our best. We simply cannot survive without the harmonious functioning of multiple organs.

Similarly, our business is composed of many parts: finances, facilities, marketing and outreach strategies, personnel and so forth. These parts must work together for our business to reach its optimal success. And just as with our physical body, it is essential that we

Integrated Business Management + Consultant = Increase in Profit

By Erin Whitaker, CFSP, CPC

tend and nourish each part of our business to experience positive results. If we neglect any aspect of our business, it too struggles to continue to grow and function well.

I remember when funeral service merchandise representatives were regular visitors and basically part of our extended family. Over the years, consumer preferences have changed; they are not buying as much merchandise. As a result, suppliers have been forced to implement cost-reduction initiatives such as a change in workforce and an increased use of technology to take orders. This is not necessarily a bad thing; however, are you trying to use a lower-priced merchandise strategy to attempt to obtain more profit from a consumer base that is purchasing less merchandise? Rather than trying to get a cheaper cost of merchandise, why not improve profits by improving your business operations.

As a business owner you know you need to identify your business goals and

then create a strategy to reach them. The strategy must look at your business from a holistic, integrated approach in order to be successful. We know we need this, yet many of us do not have a plan. The reason we don’t is driven in part by time, in part by knowledge and in part by fear.

As funeral directors, we are on call almost 24 hours a day, 7 days a week, 365 days a year. Extra time tends to be a luxury few of us get to enjoy. We find ourselves fighting those fires that seem to pop up just as we get started on our strategic planning, and once again it takes its place on the back burner.

Trust me, I know what it feels like to wear so many hats — human resources, marketing, accounting, janitor, to name a few. We encounter day-to-day operational questions that take our time from the long-term strategic planning questions. Usually the question that gets attention is the one that must be answered immediately — the one about the video tribute for the family

coming in that afternoon. We find ourselves working *in* the business rather than *on* the business. Time is a precious commodity, but there are people out there with integrated management experience, e.g., consultants, who can ease our burden — all we have to do is ask for help.

In a world changing so rapidly, it is imperative to create an integrated strategy within your business. It is the intersection of you being able to serve your families in the way you know best and of you being able to sustain your business so that you can continue to serve your families.

We have to admit that it is not just time constraints that keep us from moving forward, but also in some part, fear. What if I stop offering guaranteed preneed contracts? What if I raise my basic service fees? What if I try something that has never been done here before? What will my families think? Will they still choose us? These questions cause countless sleepless nights.

I recently worked with a funeral director on setting the right pricing for the services provided. The analysis showed, as you can imagine, that he needed to raise his basic service fee to cover his increased cost of overhead. This recommendation caused many sleepless nights. What would his families say and do? How would he know if it was the right decision? A legitimate fear but with a relatively simple solution — monitor the feedback received from your family satisfaction survey. Most people in our community understand we have a business to run. However, our last resort is to make decisions that impact pricing as we identify that to be the number one factor in how we are perceived by the families we serve.

Generally speaking, consultants look at a business issue from a different per-

spective, often one you cannot achieve on your own. A good consultant will take the time to ask those “right questions,” challenge your thoughts, help you diagnose where your pricing or other business-related component is today and create the plan to get you

We have to admit that it is not just time constraints that keep us from moving forward, but also in some part, fear.

to your goals. According to Federated Funeral Directors of America, the average funeral home profit in 2013 was approximately 0.07 cents to every dollar. The average Foresight client achieved 0.26 cents to the dollar.

So as you can see, consultants bring a different skill set and knowledge base that often you don't have time to perfect. They will take the data you give them, show you how to adjust your processes and implement changes to reach your goals. Sometimes all it takes is someone who is with you when you hit the button to print the changes to your General Price List.

You are the expert when it comes to funeral service. Every day you sit down and guide families who are scared, lost and overwhelmed. You take the time to understand their unique situation and help them lay out a plan or a strategy as they adjust to their changed lives. You assist not only with planning the funeral, but also with issues related to probate and aftercare. Your support helps get them started on the grieving process and to understand the options they have to memorialize their loved ones.

Funeral service, like the rest of the world, is changing regularly. We see changes in consumer preferences, technology, globalization of suppliers and demographics of our communities. To a funeral home owner or director, change is unnerving. How many times have I

heard the statement, “Funeral service is not the same as it used to be”? And more than the words was the exasperation of the person saying it. Fear of the unknown can be paralyzing to us in this changing world.

But just as you sit down with your families and help them, financial and business consultants can do the same for you. We sit down with you, understand your specific situations, ask those difficult questions, help you lay out a plan and then walk the walk with you. There is no such thing as a traditional one-size-fits-all funeral, and there is no standard business plan that can be implemented. In a world where change is a given, the right consultant can be your most valuable asset.

Imagine a world where all parts of our business work to achieve a symbiotic, harmonious relationship and ultimately, financial success. In this ever-changing world where we have to do more with less, we can achieve that utopia. We just need to remember that sometimes it is okay to ask for help.

As Theodore Roosevelt said: “The best leader is the one who has the sense to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it.” *MJ*

Erin Whitaker, CFSP, CPC, is a Financial and Business Management Associate at The Foresight Companies, LLC, a Phoenix-based business and management consulting firm specializing in mergers, acquisitions, valuations, accounting, financing, re-engineering, management, social media and customer surveys. She can be reached at (800) 426-0165 or at erin@f4sight.com. For more information about the Foresight Companies, visit www.f4sight.com or follow us on Twitter or Facebook.