



the Great Profit Generator for Cemeteries



I am the first to realize that all cemeteries do not have the same profit incentive, but all cemeteries have the same fear.

That fear is the day you sell your last interment right. At that time you go from a perpetual care cemetery to a perpetual nightmare cemetery. You are now reliant upon the interest earnings of the trust principal set aside to cover your costs of operation.

In my 30 years in this profession, I have never met anyone that wants to buy cemeteries without saleable inventory. With cremation often

replacing burial, cemeteries must be proactive and go out and capture this market. It will postpone the date of the nightmare.

If you take the blinders off, you will see that consumers who choose cremation are not being marketed to for interment of those cremated remains. Those cremated remains are either tossed away (yes, I know, the proper phrase is “scattered”) or they are retained – at which point they become a liability of sorts for the family.

Imagine that Dad died and his family had his body cremated. The funeral director was happy he sold an urn – even if it ends up above the fireplace. Over time, that urn often gets moved. It goes from the mantel to the front of the top shelf of the closet, to the back of the closet.

As Mom gets older, she may wonder what will happen to that urn and her own cremated remains, but no one offers a solution to her or the kids.

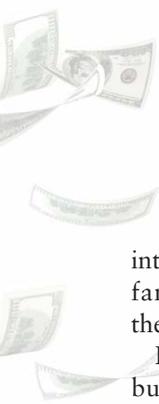
That’s because you market to cremation consumers as if they were burial families that have a limited window to make a casket selection. However, families can buy an urn anytime – some do so when they

make arrangements, but many do not.

If you’re like most death-care professionals, you stop offering to sell an urn after the cremation is completed. You even give families what you call a “temporary urn.” This is a plastic container that is of various shapes, and it contains the cremated remains. However, there is nothing temporary about plastic. If exposed to the perils of weather, it will break down in about 80 years. That isn’t temporary!

Cemeterians are dependent upon the funeral home to contact them for the interment of urns. However, most are not prepared to serve these families. I have seen countless cemeteries that divide a grave space into two and allow up to two urns in a space. That is like selling a size 48 suit to a teenage boy knowing someday he will grow into it! Cemeterians need to realize that when a cremation takes place, they need to market to those families directly.

You need to have multiple options for cremation families at different price points. You need to understand and accept that people that choose cremation are usually not choosing it due to price. These people need



interment rights as much as a burial family. Allow me to expand upon these points.

Dad dies, and he is going to be buried. The funeral home calls the cemetery and makes arrangements for the interment process. Or, Dad dies and he is going to be cremated. When cremation is going to be used, the interment process is usually omitted. The phone call does not happen.

Cemeteries should note this and reach out to these families directly. We all know you can market an advance need. We know the process you perform for at-need families. There is nothing that says ceterierians cannot market to post-need families.

I will let you in on a little math secret: There are as many post-need families as advance-need families. You spend \$400 or more on each closed lead yet, just reading the newspaper or entering into a relationship with the local funeral director, you can have more leads than you can deal with at a very nominal cost. In fact, working with the local funeral home, you can make this a variable cost and have your time as your only expense.

If you redesign your master plan to deal with cremation effectively, you are going to have grave interments, columbaria interments and mausoleum options. If you look at granite-front and glass-front options, you are going to find the highest income design is going to be glass fronts.

You can also look for small areas of inventory – they can be just 1-square foot. We recently helped a client to remap his site and found many corners and edge areas that provided space for low-cost interments. We then found areas around bushes and shrubs that offered space for mid-priced urn interments. Lastly, we found a number of statues that had two ways to incorporate

urns. If the statue was on footers, our client could build interments into or on top of the footers. Secondly, the walkway around these statues, which were about 10 feet on all sides, presented our client with room for more than 400 ground niches that were next to these reverential sites. One such area would have resulted in about \$600,000 in interment fees for an investment of about \$500.

Another client had a lake area. He had some high-end, private

but I have predicted that 90 percent of all cemeteries will be bankrupt someday.

I defy any of you to predict your trust principal on the last day of sales. Then do the math on how much that trust will need to earn to cover the complete cost of providing maintenance and care to that site. Now you might say, “It works if I get a 5 percent return on investment.”

However, we have lived and are living through the 1 percent interest

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mausoleums going through the area. The sale of the 10 proposed private mausoleums would have generated about \$2.5 million if all of them were sold. The lake is about 100 feet in length and encompasses about 350 feet of shoreline. Using niche river rocks, our client could install 10 niches per square foot of shoreline, resulting in about 3,500 niches and about \$7 million in potential sales. The niches can generate more profit than mausoleums with fewer risks.

How often do you have shrubs that die? You replace these with more shrubs that are a cost. Consider that each shrub area can be replaced with columbaria of some design. This saves water, mowing and generates revenue. This takes an area of overhead and maintenance and replaces it with an area of inventory and profit.

Regardless of your state law, each time a sale is created you further bolster your perpetual care fund. I love the concept of perpetual care,

years, and they last longer than the 10 percent interest years. Some state laws do not allow the invasion of principal for care. It will be a difficult time when you have large trusts, but due to low interest environments, they can't pay their bills. The more sales you can make to cremation consumers, the more will be in your trust.

I challenge you to get in your electric cart, take a tape measure and some marking tape and go out to your property. Look at all the areas that can be niche interments. By doing so, you'll be able to generate sales from area you were overlooking.

Then get in your car and work with local funeral homes to get a list of families that were given cremated remains over the past 10 years. Then contact these people and talk with them about your solution for what many of them now realize is a problem. This is a win-win-win solution. •