

By Daniel M. Isard

Staying Too Long

A funeral home must evolve and serve consumers where they are or risk losing calls to the competition and perhaps even a slow demise.

Note to Readers: This particular letter was delivered to my office rather than coming via email. Upon examination and based on the imprint on the back of the paper, the letter was typed. And based on the different levels of imprinting, I surmise it was typed using a manual typewriter. I am not conveying this to embarrass the writer, but I do think it tells you something about the answer seeker.

have always served the Catholics. That guy down the street lets non-ministers conduct services in his building! I would never let that happen.

My competitor doesn't even have a vault to keep his records in. Do families realize that if a fire or flood happens, they won't be able to get the records of their loved one's death? Our safe was built in 1956 and is very sound.

I am now 83 years old, very hard of hearing and have no patience for making long arrangements. Nothing upsets me more than a two-hour arrangement for a cremation! How do I change these people in my town?

Still Using a Typewriter

Dear Dan,

I have read your articles for almost 40 years and have a question that you may or may not be able to answer. My business was a 300-call traditional business when I took it over. Today, we only do about 150 total calls, and of those, only about 50 are traditional. Our total call numbers are declining because that upstart down the block keeps stealing our calls.

We have always provided good enough service, but this guy uses newfangled gimmicks like computers and television screens in his chapel. He is so uppity he even has a website with videos about himself.

Even the priests tell me they don't know why the Catholic families go to him. I am the Catholic funeral home in town. We

Dear Typecast,

There are three basic axioms in business consulting:

- “Good enough” is good enough to sink any business.
- If a newfangled gimmick is around after three years, it has become an accepted thing.
- Staying too long at the dance often sees you going home alone.

No one steals calls. There are some towns in which the funeral director is the county coroner and that sometimes gives him or her an advantage over non-coroner funeral homes. Your competitor has invested money and time and has taken a risk to implement his marketing strategy. The funeral home of 2020 is not the same as the one you bought in the 1980s.

The changes we have seen indicate that the funeral home of the future must manage to include marketing. Do you know why families come to your business? If you think it's because you embalm better or care more, you are sadly mistaken. Families want a funeral experience customized to their beliefs and desires.

More than that, have you ever analyzed why families choose you or your competitor? We call that a SWOT analysis, with SWOT standing for strengths, weaknesses, opportunities and threats. From the limited points



THERMALGRAPHICS QUALITY LAMINATING PRODUCTS AND SUPPLIES

CALL NOW!
New Designs Sale Going on Now!

- CLEAR LAMINATING POUCHES & PRINTABLE MEMORIAL BOOKMARKS
- HUNDREDS OF DESIGN, COLOR & SIZE CHOICES AVAILABLE

www.thermalg.com
1 800 634 6503

A 100% Independently Owned and Operated Family Business and the Fourth Generation to Serve the Funeral Industry.

you mentioned in your letter, your strengths are not strengths any longer.

You see your religious identity as a strength, but NFDA's own annual consumer survey identifies that religion is no longer a main reason for families to select a funeral home. Today's families choose a funeral home that makes them feel comfortable, regardless of the owner's religion. The ministers comforting you may be sincere, but for heaven's sake, the world has changed.

Just as you no longer use "rabbit ears" to tune your television, consumers today employ a new set of criteria. (People under 40, please Google the reference "rabbit ears," and PETA members, please do not boycott me.)

One of your competitor's strengths is reaching out to all religions and even the non-religious, perhaps using celebrants instead of clergy. A funeral today, regardless of whether the body is buried or cremated, is something consumers get to orchestrate. Your competitor, as it pertains to religion, is not stealing your calls but rather opening the door for families to choose them.

The opposite of a strength, of course, is a weakness. You embrace the 1980s, but the business is changing. I'm sure you don't still have rotary dial phones yet you're still typing a letter with a manual typewriter. Yes, I understand that in some states you need a typewriter for some state forms and death certificates. I get that. But you need to use computers for all of your records and contracts.

You can be proud of your safe, but the chances of a fire are less than 1%! The chances of a flood might be slightly higher, and I have seen more safes turn records into papier-mâché than protect them. Safes don't have O-rings to create that perfect seal, and water will find its way in. That's why scanning records and backing them up offsite is a better way of storing files.

Is it too late for you to reinvent your business? Do you want the truth or a pat on the head? The truth is "Yes, it is too late for you." We all have physical limitations. I'm sure

when you bought this business, you went out day or night to do removals. I hope you are using staff or trade services now.

At 83, you might still be qualified to drive a golf ball but probably not a removal van at night. Hearing limitations can also make arrangement conferences embarrassing for families. They want to talk to you. They trust you as a person and a professional, but as they talk to you, you may not be understanding everything they say.

If you want, employ young people to run your business, but then get out of their way. They will embrace new and crazy ideas, and many of them may work. But market share, like a diet, doesn't cause a change quickly. I am sure it took decades for the competitor to gain market share and for you to lose it.

How do you know when to sell? When in doubt, sell early rather than late. Almost \$20 billion in funeral businesses will be transferred in the next 20 years. Some will be businesses on the rise and some will be on the decline. The keys to timing a sale include:

- *Your Age* Have something you want to do other than being in funeral service? You have an obligation to your spouse and children to get the timing right. It is better to sell and continue to be employed by the next buyer than to hang on and potentially hurt the business.

- *Your Health* You can be fit as a fiddle, but if you have a health limitation that makes communicating a problem, either hire someone to talk to families or move on. Don't stay too long at the dance.

- *Your Market* I had a client who grew up in a town where his funeral home spanned three generations. Demographic changes eventually brought in families that were Hispanic. He was Irish Catholic. He didn't speak Spanish and wouldn't hire someone who did, and he went from 200 calls to 60 within 10 years. Where did the other 140 calls go? Many moved away, but his building was unmovable.

- *Comfort of the Families You Serve* If you owned a steakhouse and your town was suddenly filled with vegetarians, would you change your menu? You're in the "service" business. The sub-category is "funeral service." If you are unwilling to provide the type of services families want, you should be getting out and moving on.

It was Darwin who said, "Migrate, mutate or die." I wish you well, but this business is evolving, and unfortunately, you have not.

Daniel M. Isard, MSFS, is president of The foresight Companies, a Phoenix-based business and management consulting firm specializing in mergers and acquisitions, valuations, accounting, financing and customer surveys. He can be reached at 800-426-0165 or danisard@theforesightcompanies.com. For copies of this article and other educational information, visit theforesightcompanies.com.

Financial and tax advice contained in this article is for informational purposes only and may or may not apply to your individual position. Readers are strongly encouraged to seek the counsel of qualified advisors before undertaking any action based on this information.

FuneralCall[®]
The Funeral Home Answering Service

Simple Billing.
Because one line item
is all you need.

All-Inclusive Features

Mobile App

First Call Notice

Connecting Calls

Text & Email

Recorded Messages

And Many More...

866-283-4408
www.funeralcall.com