

HELP CONSUMERS Choose Your Firm

FINANCIAL AND OPERATIONAL PLANS
AREN'T THE ONLY ASPECTS OF STRATEGIC
BUSINESS PLANNING. ASTUTE OWNERS
WILL ALSO CONSIDER MARKETING.

BY DANIEL M. ISARD



My fear in composing an article on strategic planning

is repeating myself. Funny that I don't have that same fear when telling jokes to an audience, but to an audience of readers, I am concerned about this.

Strategic planning brings out this fear because every year for the 44 years I have been doing management and financial consulting, I write on this topic. Like the swallows returning to Capistrano, I return to this subject.

I'll take a different approach this year. I won't talk about financial or operational aspects of advanced planning, but marketing. Funeral home owners/managers are terrible marketers, and the reason is simple: To market, you must first understand why families come to you. But the fact is, most firms have no idea why people choose them. They may think it's because:

- You care more
- Your staff cares more
- Your building is better
- You embalm/present bodies better
- No one likes your competitor (even though he does more calls than you).

These answers, individually and collectively, are nonsense. Thus, I'll create something new to dissolve my fears, and you'll read and implement it, which will help you overcome your fears.

Marketing is defined as "the active effort you make to retain existing patronage and influence others to change their patronage to your business." This being said, you need to understand two big questions:

1. Why do families really choose your business?
2. Why do families really choose your competitor?

The only way to know the answer to the first question is to survey families. So very few funeral homes use surveys. Some use "Trojan horse surveys," pre-need lead-generating letters that say "survey" but are really used to get leads for selling preneed. The letter says, "Hey, we want to survey how we did" and asks four innocuous questions, with the fifth question being, "Wanna buy a preneed?" You don't care about their answers; all you want is a preneed lead. That doesn't count as a survey.

In our survey practice, we tend to see the same thing NFDA sees in its annual consumer survey. The top reasons a person chooses a funeral home are:

- Previous service
- Knows the staff or owner
- Already prearranged
- Convenient location.

We also see a few responses consistently *not* being given, which must be noted:

1. Price
2. Advertising.

It's not that people don't care about price, but they have a value equation

they expect you to meet. It's not that they don't see your advertising or promotions; they just don't drive them to your business.

In strategic planning, your goal is to create a plan to ensure that in 2019, you will service the amount of calls you are planning for. To do that properly, you must set the paradigm correctly. You can't control mortality; you can, however, control the math of setting your objectives. For example:

Given the data above, what would you assume your case count should be in 2019? The mathematical average

YEAR	2016	2017	2018
Total Calls	200	203	197

concludes that 200 calls is the expectation, except I don't want my clients to assume that average result. In most cases, I want to see a business do 90% of its three-year average. If the business is very rural or "country," it can be even less than that. The law of large numbers scoffs at assumptions on mortality. So, in this case, I want a client to set his or her overhead, pricing and other factors based on 180 calls.

The second thing I ask a client to do is look at the breakdown of the four types of calls they receive, instead of focusing on total calls:

YEAR	2016	2017	2018
Casketed Calls	120	110	100
Non-Casketed Calls	50	59	71
Trade/Ship-out Calls	20	22	18
Not-for-Profit Calls	10	12	8
Total Calls	200	203	197

Now, I might look at some trend analysis to make my assumptions, since each of these four types of calls has a different anticipation of revenue and costs of operation. If I did, I might assume:

YEAR	2019 Planning	
Casketed Calls	90	81
Non-Casketed Calls	80	72
Trade/Ship-out Calls	20	18
Not-for-Profit Calls	10	9
Total Calls	200	180

It's important to make plans to guarantee that the funeral home gets 200



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families to choose it, in the categories of service I expect them to choose, but its budgeting will be predicated as if the firm will serve 180 families.

What happens if you budget for 180 families and serve 200? You have more profit! (Send unmarked bills to your favorite *Director* magazine writer!) What happens if you budget for 180 and serve 180? Nothing adverse. Your ego might be a bit bruised, but you will have paid all your bills. (No, the aforementioned favorite writer will not send you any money!)

Now, what can you do to attract at least your budgeted calls or more? Here are five key marketing ideas, and I recommend you implement them all, as they all stem from the data of why and how people choose a funeral home.

FIVE KEY MARKETING IDEAS

1. Begin or Bolster an Aftercare/Outreach Program

A key phrase in marketing in the 1990s was “gorilla” marketing. This was a hand-to-hand effort whereby businesses got involved with their patrons before and after their need to purchase services. If you owned a coffee shop, for example, you might have someone going to nearby businesses with sample cups of coffee.

We can't very well do this in funeral service, but we can be instrumental in helping families adjust to surviving without their loved one. Aftercare and outreach programs get your staff and consumers to interact during educational and normal life activities, all of which help survivors gain confidence in their ability to go forth.

2. Have an Integrated Online Presence

You've no idea how important your online presence is. If you did, you would have a solid website, not something given to you for free because you buy enough caskets. A top-quality site is an educational and interactive place. It is not cookie cutter.

And I'm not just talking about a web-

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EXPLAIN
WHY YOUR
VALUE
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site. You must be active in social media, too. Check out the key new programs that are focused on third-party com-

parison sites. You need not be afraid to explain why you are different and why your value equation is a solid offering.

3. Create a Synergistic Marketing Program With Common Businesses

Consider other businesses that exist to help families deal with death and dying. Some are competitors and some are not. Find those that aren't. Two that come to mind are cemeteries and hospice. Why not create a unified approach with a cemetery that you'd like to see succeed into the future? You can hold some of your aftercare programs at the cemetery – flag ceremonies, wreath layings and other outdoor events.

Or reach out and form a working alliance with the hospice organizations in your area. How about educating hospice staffs that need CEUs so they understand your business? Much of the friction between funeral service and hospice is due to mistrust, which talking and sharing can eliminate.

4. Have an Effective Preneed Program

Nationally, about 25% of all at-need calls are prearranged. That number is up from about 10% just 30 years ago. The more preneed cases you can arrange, the more your market share will increase.

Many funeral homes think preneed is too pushy. I get that, and I hope your competitors feel the same way. If they do, they won't beat you to the punch.

5. Reposition Your Advertising Efforts

Our messages in funeral service are old and stale. We still talk about "traditional" calls. Have you not read that baby boomers don't want the traditional anything? They burned their draft cards and bras in college, and they are going to challenge the traditional ways of death as well.

Also, the Yellow Pages are dead, and advertising in newspapers is going the same route. You need to find new ways to get a new message out.

Lastly, track your results. If you are serving a family for the first time, ask them why they've come to you. Don't guess. Don't assume. Ask! Write down these results. Find these new venues and embrace them. Marketing is partially about changing the predictable routes of patronage. Be creative. Try new things. Maybe something will work. ☰

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