

By *Daniel M. Isard*

Big Numbers

Two successful funeral businesses with a real commitment to preneed.

During my lifetime, I have been asked many questions that seemingly have no answer. Why is the sky blue? Why is the ocean blue? Why are Slurpees blue? My answer to all of these questions is that the blue lobbyist is better at his or her job than those lobbying for other colors.

Anyway... one question I've often been asked is, "Why should I sell preneed?"

I have spent my career researching preneed from all angles, and I can tell you there are many dynamics to this issue, including:

- Funding: trust, insurance, annuity or don't fund
- Transference: at face value, original funding value, current value or don't transfer
- State legal requirements: 100% trust, something less than 100% trust, use trust or insurance, don't use trust or don't use insurance.

After surveying hundreds of funeral homes, I've also determined that there are three camps when it comes to preneed. One camp doesn't sell it, period. The second camp "kind of sells it" via their existing funeral home staff as people walk in, and the third believes that preneed is an important service for marketing, community support and protecting future business and is even necessary to build a business.

All businesses have operational norms, and for funeral homes, the average national Key Performance Indicators (KPI) of preneed are:

New Preneed Sales: equal to about 40% of the firm's annual case count and about 40% of its annual revenue. For example, a 100-call firm would sell about 40 new preneed contracts a year, and assuming that firm's annual revenue was \$600,000, it would write about \$240,000 a year in new preneed contracts.

Annual Preneed Services Fulfilled: equal to about 25% of the firm's annual case count and about 25% of its annual revenue. For example, a 100-call firm would service about 25 preneed contracts a year, and assuming that firm's annual revenue was \$600,000, it would service about \$150,000 a year in preneed contracts that went at-need.

Total Preneed in Force: equal to 140% of the firm's an-

nual case count and preneed contracts equal to about 140% of its annual revenue. For example, a 100-call firm would have total preneed contracts on its books equal to about 140 contracts. Assuming that firm's annual revenue was \$600,000, its total in-force preneed contracts would have a value of about \$840,000. This last indicator deals with the mix of single-pay versus installment or multipay preneed contracts. The average funeral home nationally has a ratio of 75%-to-25% single-pay-to-multipay contracts.

As I noted earlier, those are the national averages for funeral homes. The preneed KPI of a funeral business with a real commitment to preneed, however – the top 10% of all firms – is much higher than these meager amounts:

New Preneed Sales: equal to about 80% of the firm's annual case count and annual revenue.

Annual Preneed Services Fulfilled: equal to about 30% of the firm's annual case count and revenue.

Total Preneed In Force: equal to about 400% or more of the firm's annual case count and revenue. Again, this last indicator deals with the mix of single-pay versus installment or multipay preneed contracts. Funeral homes in this category have a ratio of 40%-to-60% single-pay-to-multipay contracts.

Clearly, such funeral businesses are really committed to preneed and want it to drive their marketing and business development worlds.

But who are these people? How do they generate these big results? This month, I put these questions (and more) to two people who have taken the time to ensure that their funeral businesses produced big preneed numbers.

First, I spoke with **Nikki McQueen**, who, following a career in sales at a Fortune 500 company, ran the advance-sale department at **Anderson-McQueen Funeral Home** in St. Petersburg, Florida. She and husband John McQueen, owner of the firm, also produced the book *Lessons From the Dead: Breathing Life Into Customer Service*.

I also spoke with **David Blouin**, executive vice president and CFO of **Preneed Funeral Programs**, which helps funeral homes in the United States and Canada maximize their preneed business production.

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Nikki McQueen approached preneed from two perspectives – she wished to put business on the books, but she and John also needed to service this business profitably. Mainly supervising the production and usually not doing the selling, McQueen shared the qualities she looked for in a salesperson: “The most important is they must believe in the value of the funeral. If they do not, they should not be working in your organization,” she stated. “Secondly, they must have empathy for the individual and show empathy to the family they are working with.”

Another trait she looks for is the experience of losing someone close. “If they haven’t walked through those phases of grief, how are they going to help someone else?” she noted.

Preneed salespeople have to be trained, and Anderson-McQueen provided a lot of training for its team members. Nikki spoke about one especially powerful session John would conduct on the history of the business as a whole. “It started with our founders and how they grew one location to the six locations of the business, plus the cemetery and crematory, as well as the pet division they had [at the time of their sale],” she said. This presentation showed how all the locations fit together to serve the entire community.

She explained: “They were going to be asked questions when they were in the field, and we wanted them to answer all questions properly.” Her approach was that all colleagues were going to be seen equally in the eyes of the public, so they should all “present your brand” equally.

David Blouin, similar to Preneed Funeral Programs founder Quinn Eagan, is much more analytical in his approach to preneed. When discussing training for the sales team, Blouin referred to the many tools the company has created for its process. He emphasized the difference between at-need and preneed. While the at-need situation has, as he clarified, “an urgency in the decision-making process, on the preneed side, in most cases, the family doesn’t have to do anything.” They train staff at the funeral home about “why it is important to do this now, as opposed to later.”

Their sales training is specific in that, Blouin said, “It boils down to how we got that family in front of us in the first place. Knowing that, it helps us know how to direct that conversation and why they are there.”

The company does many things differently to get

more families to talk about prearranging than someone untrained will know how to do. Blouin explained that it involves a multifaceted approach to marketing: “There is no one magic bullet to get families to ‘raise their hand.’ Quinn always taught me that it is not about lead generation; it’s about getting families to raise their hand.”

Preneed Funeral Programs has what it refers to as “five primary lead channels for preneed.” Shared Blouin: “Two of these channels are designed for existing families and keeping them loyal to the funeral home. Three are designed to gain new families the funeral home has not served in the past.”

The first two channels offer protection designed to keep families in your fold. “If you can’t protect families, then you will have trouble building your business. The first deals with walk-in business and trains the gatekeeper. The second channel is aftercare. We never want the funeral home’s last interaction with a family to be an invoice,” he noted. The company has a soft-touch aftercare program, so the funeral home can reach out to families during the period of high grief points in the first year following a loved one’s death.

The three channels that focus on expanding business encompass both old and new tactics. Explained Blouin: “Direct mail has a mastery that is complicated. It includes identifying families that are most likely to prearrange and messaging that gets them to raise their hand.” Detailing the deep dive his company has gone into to make direct mail work, he added, “We have gone back and looked at the last 100,000 prearrangements we sold as a company. There were certain commonalities and characteristics of those people.”

Both Blouin and McQueen had much more to say, and I hope you will view the companion video to this month’s column to hear their full comments (see below for YouTube link). Blouin’s depth of analysis is powerful, and McQueen’s passion for sales is palpable. Together, their experiences are something you need to hear from their own lips.

Preneed is not an option. It is critical to offer it to your community and hyper-critical to secure your business future via well-structured preneed marketing. But it is just as important to do it properly. Hire the right people, train them completely, educate them on your business, seize their compassion for the nobility of this profession, and you will have added opportunities for winning.

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