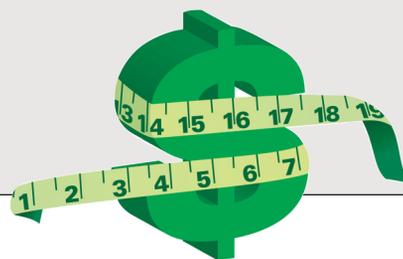


Financial Fitness

[financial management for your business]



Checking-in and Planning Your Success in 2022 Begins NOW

By *Chris Cruger, chief executive officer, The Foresight Companies*

“If you fail to plan,
you are planning to fail.”
– Benjamin Franklin

When we gather for the holiday this year, I suggest we take a moment to be thankful. This has been a very long, hard past couple of years. The death care profession has gained new levels of recognition in the media and society. The emergence of the profession as the “last responders” has propelled it to new heights. However, this recognition does not come without a price. Many are worn out, stressed and on their last nerve.

The past couple of years have been difficult for most, but extraordinarily so for our profession. To continue to do the incredible work that you do, you must be at the top of your game. Make sure that you are taking care of your – and your staff’s – mental health. There is a reason that when the flight attendant gives you the flight briefing about loss of oxygen, you are told to put the mask on yourself first. If you are not well and functioning, you are no good to anybody.

As owners or managers of funeral homes and cemeteries, you spend most of your time monitoring your business, serving families and dealing with the everyday problems. It hardly seems like you have time for anything else. Just as you go to your family doctor for your annual check-up to manage



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your personal health, it is vitally critical to do the same with your business. Given the current state of the world, it is more critical this year than most.

As we look toward 2022, many of us are finding ourselves in an unusual situation. The days of looking to prior years financial information and simply applying a trend line are gone. Nothing about 2021 – or even 2020 – has been normal. Every single facet of our business and personal lives has changed dramatically over the past couple years.

Many in our profession have had their success reach levels never thought to be possible. I suggest that planning for things to continue on this same trajectory is simply unrealistic. The number of deaths from the pandemic, the stimulus relief and a myriad of contributing factors suggest that our profession

has been highly favored through this difficult time.

To understand what happened to your business’s bottom line in 2021 you will need to get out of the narrative and into the numbers. The only way to get an accurate picture of your company’s performance is to gather all the relevant performance reports.

The key to accurate business reports is accurate data. As the year has transformed from the spring through the summer and into fall many funeral homes and cemeteries put recordkeeping on the back burner to deal with the crisis of the day. However, until the numbers are input into your tracking software your reports will not be accurate and assumptions will be based on conjecture (an all too often problem in our profession). Data gathering and input need to be a priority. Now is the time to schedule a time to work with your bookkeeper to double-check the accuracy of your data. Only then you can run reports to get a true financial picture of the past year. This work can seem less of a priority but before you can plan for next year you need to know what happened this year first.

For 2022, Keep it Simple

As business leaders, we must assume that 2022 will be filled with as much uncertainty as 2020 and 2021. The key to planning in a pandemic is to be conservative.

Plan for the worst and hope for the best. With all, the key to planning to keep it as simple as possible.

Let's start with a simple 10-step process:

1. Select who is going to participate in this review. It is important that key stakeholders in the success of your business are included. They do not have to be included in the intimate detail of your personal financial situation, but you will want your team included. You may also choose to have your accountant or adviser involved. While it is not an absolute must, including somebody else and some accountability is important.

2. Prepare an agenda. Having an agenda will help you set a firm time and place and guide your conversation. The purpose of conducting the year-end review is to look at your business from afar and assess your business from a different point of view. You will first want to establish your strategic goals and then determine the tactical steps that will ensure that you accomplish your most significant goals.

3. Create a questionnaire. Compile a list of questions on items you want to know about, as well the areas of most concern. Asking yourself and your team these questions will provide deeper understanding and answers to the things affecting your business.

A few examples:

What was our biggest win in 2021?

What was the biggest disappointment of 2021?

Where do you see opportunities?

Where are we falling short?

4. Start with the positive. I like to look at things through a half-full approach as opposed to the alternative. If the only focus is on what did not work throughout the year,

you are not going to be inspiring much creativity when it comes to setting your goals for 2022. Point out the top accomplishments of the year. Take a moment to do a recap of the steps you (and your team) took and celebrate the win! Remember, we can all appreciate a good win.

5. Let go of stale goals. The goals of your business will constantly change. If the past two years have taught us anything, we must be nimble and prepared to pivot depending upon our surroundings. Get rid of goals that are no longer relevant to your current situation. Make a list of all your goals for 2021 and ask yourself: "Is this goal worth having anymore?" If the answer is no, get rid of it! If the answer is yes, figure out how you need to adjust to achieve it in the future.

6. Ask what did not work and establish new goals. Once you have gotten rid of the old, it is time to make a long and detailed list of everything you would like to accomplish. This should include both short-term and long-term goals. Just because you did not hit your goal this year, this does not mean that you need to change your goal. However, you should re-evaluate the steps you took in achieving them and perhaps adjust that goal or create a new one entirely.

7. Identify potential obstacles. Here is where being conservative is the key. Planning for the worst in advance can save you time, money, and a lot of stress. Look at each of your goals and plan for the worst and determine how you will overcome those challenges. – When we work with a funeral home or cemetery, we will base our projections around only doing 90% of the target volume. Assume lower revenue,

lower call volume and higher expenses than you may normally expect. You will also want to keep more cash (working capital) on hand than you might have historically.

8. Set realistic timelines. Assign a final due date with deadlines throughout. Creating a timeline will provide for accountability and visibility. If your goals are abstract in nature (Increase our after-care program, adjust pricing, etc.), set targets in there that are SMART (Specific, Measurable, Achievable, Realistic and Time).

9. Determine your biggest takeaway. If you have too many goals, you will likely have trouble accomplishing them. You (and your team) will be overwhelmed. You can have a long "to do" list, but you must identify three-to-five main goals for the organization. Make them measurable and celebrate the accomplishments along the way.

10. Follow up. Set follow-up dates at the end of January, March, June and September (quarterly review and check-ups). It is one thing to set goals, but it is something entirely different to accomplish them. If you are consistently following up on your business, you are going to be much more likely to succeed.

When we think about the year in review, we must be realistic. The call volume, financial figures and the consumer attitudes are changing in ways nobody could predict. Preparation is the key! When done properly, this process can be fun, informative and open your eyes to opportunities you never thought possible. Take this time of year to check in and communicate with your key stakeholders in your success. Your success might actually depend on it! •