



STRATEGIC PLANNING

Isn't an Option

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essential for those
looking to thrive
in the profession
today.**

BY CHRIS CRUGER

It's that time of year again – time to close out the old one strong and get the bricks in place for a solid 2023. We'll talk about the planning process and 10 simple steps to get you on your way, but first, there are some areas requir-

ing a little extra-special attention in 2022, areas of critical importance because the profession is not keeping pace with the world around it.

From 2017-21, the average price of a funeral has increased 6.6%, while the CPI (Consumer Price Index) increased more than 16%. This scenario is not sustainable. There are forces in play today that require you to be at the top of your game. Rising costs, the cremation rate and rapidly changing consumer attitudes require a well-thought-out plan. Strategic

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planning isn't an option – it's essential for those looking to thrive in this profession.

I raise CPI because it is at the heart of two of the most critical issues facing funeral service: staffing and expenses. If you are not addressing this in your planning for 2023, you're sticking your head in the sand. The price of everything we do has increased dramatically over the past several years, and the profession is not keeping up. We face labor shortages and pressure on margins like never before. The old ways of recruitment and compensation will not cut it going forward. These critical areas must be covered in your planning.

In addition, funeral service has experienced higher-than-normal volumes coming out of the pandemic, so budgeting and setting prices based on reasonable volume numbers also present a new

set of challenges. Coming out of a period of extraordinary circumstance, forecasting the future can be quite daunting.

But do not stress; seek out your team, take the time and put together your plan. Also take time to prepare for your planning session. Putting together the right team and process are keys to a meaningful experience.

To understand what happened to your business' bottom line this year, you will need to get out of the narrative and into the numbers, as the only way to get an accurate picture of company performance is to gather all relevant performance reports. The key to accurate business reports is accurate data.

A couple of key areas of focus this time around must be your general expenses, and more specifically, salaries and benefits. The Consumer Price Index over the last year has exceeded 8%, and the cost of living doesn't seem to be going down. I would suggest that the cost of attracting and retaining quality talent has increased even more. Don't be surprised – be realistic.

In the words of Warren Buffett, "An idiot with a plan can beat a genius without a plan." Make sure to document your plan, include key stakeholders and place clear and measurable benchmarks throughout. Having the right road map coming out of this process will benefit everybody as you approach 2023.

Let's start with a simple, 10-step preparation process.

1. SELECT PARTICIPANTS FOR THE REVIEW

It's 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 choose to include your directors. You may also choose to have your accountant or advisor involved. While it is not an absolute must, including someone else and some accountability is important.

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2. PREPARE AN AGENDA

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 it 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 QUESTIONNAIRE

Draw up a list of questions on items you want to know about, as well as 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 2022?
- What was the biggest disappointment?
- Where do you see opportunities?
- Where are we falling short?

4. START WITH THE POSITIVE

I like to look at things with a half-full approach, as opposed to the alternative. If the only focus is on what did not work throughout the year, you're not going to be inspiring much creativity when

it comes to setting your goals for 2023. 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, everyone appreciates a good win.

5. LET GO OF STALE GOALS

Your business goals will constantly change. If the past few years have taught us anything, it's that we must be nimble and prepared to pivot depending on our surroundings. Get rid of the goals no longer relevant to your current situation. Relist all your goals for 2022 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. ESTABLISH NEW GOALS

Once you've gotten rid of the old, it's 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. And just because you did not hit your goal this year doesn't mean you need to change the goal. However, you should reevaluate the steps you took in achieving it and then perhaps adjust the goal or create a new one entirely.

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7. IDENTIFY POTENTIAL OBSTACLES

This 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 goal and plan for the worst, determining how you would overcome those challenges.

This is the area that requires

the most focus and attention in planning for 2023. When we work with a funeral home or cemetery, we will base our projections around doing only 90% of the target volume. Assume lower revenue, lower call volume and higher expenses than you may normally expect. Give special consideration to what it's going to cost going forward to hire the right people and keep a quality staff employed. In more volatile times, 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), set targets within that are SMART (specific, measurable, achievable, realistic, timely).

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 accomplishments along the way.

10. FOLLOW UP

Set follow-up dates for the end of January, March, June and September (quarterly reviews and checkups). It's one thing to set goals but something entirely different to accomplish them. If you are consistently following up on your business, you'll be much more likely to succeed, particularly as conditions can change so quickly.

The ultimate objective coming out of this planning process is consensus on direction and the game plan going forward. The actual plan format and goals are less important than the accountability. Put together a plan that is realistic and one others can buy into. While the numbers and budget are important, they are not the only pieces of the plan. If it's important to you and your team, put it down and make it part of your playbook for 2023. ☰

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