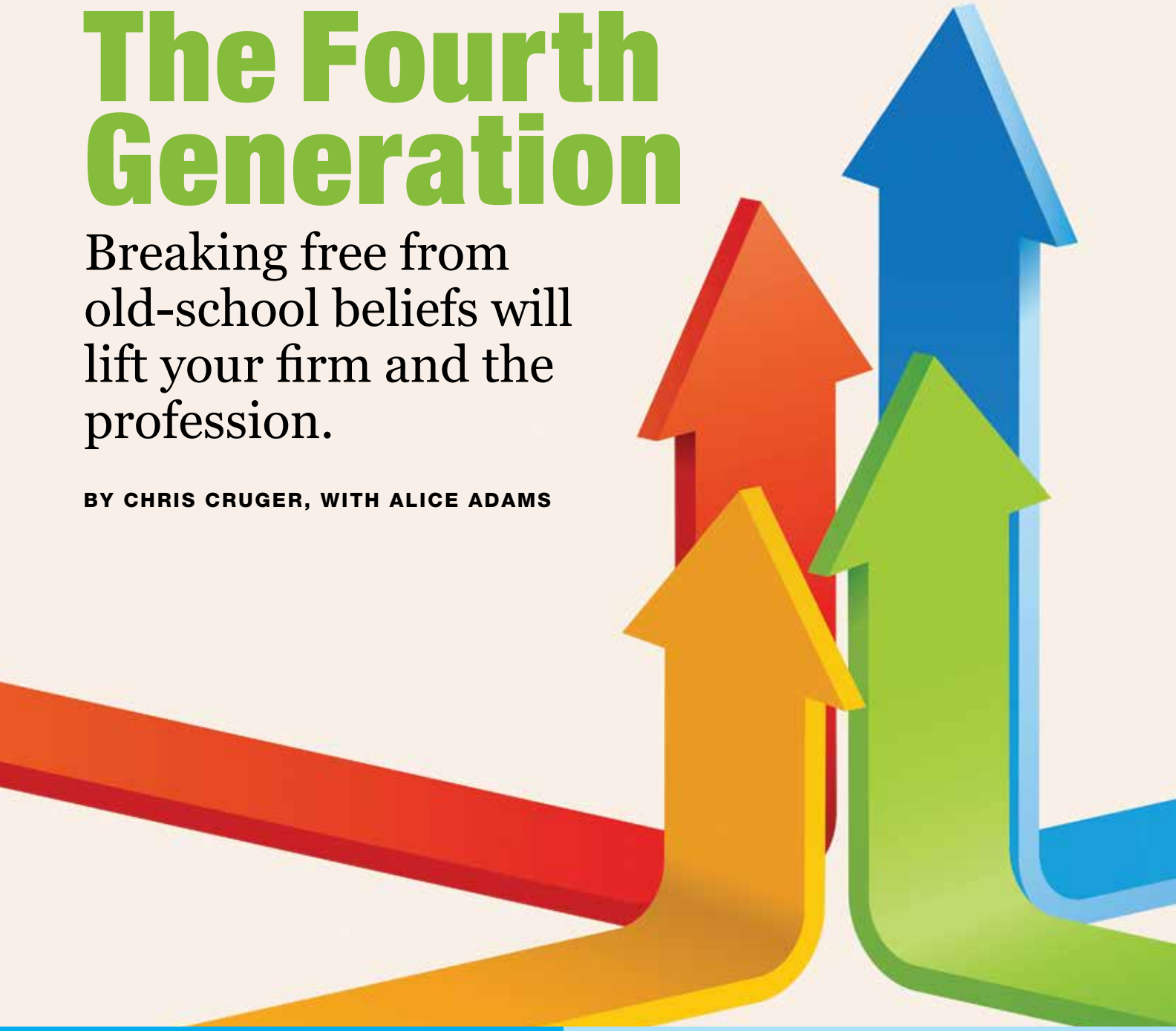
The Fourth Generation

Breaking free from old-school beliefs will lift your firm and the profession.

BY CHRIS CRUGER, WITH ALICE ADAMS



We'll begin with the question, "Why are all funeral homes not the same?" Don't they all remove decedents from the place of death? Don't they all use the same equipment for first calls? Don't licensed funeral directors meet with the next of kin? Aren't the options for services and final disposition the same?

Stepping back in history, opening an undertaking parlor meant having a wagon and team of horses to carry the decedent to the churchyard or nearest burial ground. Some combined undertaking with owning or working in a hardware, furniture or general store that doubled as their casket or coffin suppliers. Then they waited for someone to die.

When the second generation showed up on the scene, there were telephones and electricity, cemeteries, motorized hearses, perhaps ambulance service.

Mortuary schools offered training and licensing.

Today, a young, fourth-generation director finds himself at the helm of the family funeral home in a medium-size town. Unlike his father and grandfather, he – we'll call him Jake – went to college and earned a degree in business.

But that's not what makes Jake's funeral home different from other funeral homes in the region.

"Jake, unlike previous generations, began listening to area consumers," said Chris Cruger, CEO of The Foresight Companies. "He's focused on delivering the same high level of service his forefathers demanded as they built the reputation for their mortuary. For this reason, he's particular about who he hires, he pays his staff well and consistently offers all employees training they can immediately apply to their jobs. He's proud of the low turnover at his firm and his staff's longevity.

"Along with investing in his staff, this 40-something director also reinvests in his facility, a trend we're seeing among other millennial owners around the country," Cruger continued.

"We in funeral service have been so set in our ways for so long, we spend so much time looking at our bottom line and our margins, we may not be updating our properties and equipment, investing in our funeral capital – our employees – or taking time for preplanning to expand services, succession planning or to simply ask our consumers what they want that we can provide."

Jake has embraced new technology – all added to elevate consumer convenience, expand services and provide flexibility so that he can cater to every type of service, every request.

"Shortly after Jake took his place as president of his family's firm," said Cruger, "he invested in a crematory, the first in the area, in response to requests from families he had served. He added an animal crematory, complete with merchandise necessary for pet hospice services, as well. He and designated employees attended training seminars about pet owners, cremation, hospice and expectations at a pet's end of life.

"He also reached out to local veterinarians, who were all excited about Jake's willingness to work with families wanting hospice services as well as pet cremations," said Cruger, "and he continues to partner with various organizations in the community."

Later, working with big-animal vets in his area, he invested in a larger retort to accommodate their needs.

Several years ago, through study and planning, the time was right to build an entirely new, state-of-the-art funeral home. In his planning, Jake worked with his consumer public and a highly regarded architect, incorporating some environmentally friendly elements and addressing the needs of area consumers who wanted to highly personalize services, serve meals, incorporate technology and memorialize loved ones in new and different ways.

"While this is a most exciting era in funeral service," Cruger pointed out, "it is also a critical juncture for funeral home owners. There are 5,000 funeral homes operating in the U.S. today and it is projected that that number will drop to 3,000 over the next decade. As much as we may want to blame consolidators, many of these losses will be due to owners' refusal to plan, update and reinvest."

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Cruger recalled a visit with the owners of a heritage firm that had grown to multiple locations but who now reported they were being "forced to sell." "Part of their struggle," he explained, "was being unable to find people who would consistently show up to work, and this firm was known for providing a high level of care. In their service area, pay was high and maintaining their business had become untenable."

In this and other cases, owners – especially those of family firms – refuse to stray from their mantra, "That's how we've always done it." This is their "comfort zone," otherwise known as a "rut" – and ruts can be toxic to progress and growth.

So, what about their reinvestment, particularly reinvestment in their employees?

The founders saw spending money to train their staff as unnecessary… even harmful: "Why should I pay for their training when they might leave and compete against me?"

"But what if you don't train them and they stay with you?" Cruger countered. "Those people who fail to evolve and grow with no training but stay at your firm become what we call 'dead wood.'"

After one millennial owner on the West Coast pays his firm's bills, Cruger said, the young owner puts millions back into his business, and this reinvesting has grown his business exponentially.

Remember Jake? After moving out of his original 75-year-old facility and building a state-of-the-art facility, he went back to the drawing board, looked at his plan and now has purchased several firms in sur-

rounding areas. "My granddaddy would not have ever considered adding these satellites to his operations," he explained. "But the concept of reinvestment and the overall planning have been essential in pulling the trigger on new projects, including working with several area medical schools on willed-body programs."

Unlike his parents and grandparents, who annually attended state and national conventions for family vacations, Jake rotates employees to attend these meetings. "This gives my staff an opportunity to visit with other directors, see new products at the expo and get their CE credits while learning new information, new solutions and new ideas," said Jake. "This is about treating your employees right, helping them move up the ladder and making sure they stay up to date with the trends of our profession."

"[To help] the profession thrive and grow, we all must be willing to make changes and replace old beliefs with new ones. The owners who do this will be ahead."

It is Cruger's theory that breaking free from old-school beliefs will lift the entire profession – e.g., instead of waiting for the phone to ring, getting out into the community; educating consumers about today's options, including pricing, on your firm's website; inviting the community to think about what kind of funeral, memorial or celebration they would prefer at the end of life; and elevating employees.

Cruger related walking in Manhattan and seeing a homeless man recharging his cellphone at a sidewalk charging station. "Funeral directors are realizing, I think, how much information families can access before they call on the funeral home," he said.

"Keeping this in mind, by helping the profession to thrive and grow, which elevates all of us, we all must be willing to make changes, such as thinking about our business when meeting with families, being progressive, embracing what consumers are saying and being willing to replace old beliefs with new ones. The owners who do this will be ahead."

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Cruger provides these three first steps for owners wanting to leave their comfort zones and start building value in the services they offer now and/or plan to make available in the future:

1. Step back, look at your firm's past and assess what has brought you to where you are.
2. Be honest, nobody's judging. But what does your SWOT (strengths, weaknesses, opportunities, threats) evaluation look like?
3. Decide where you want to be; make a plan on how to get there; use your existing resources, embracing new technology as it becomes available; and be willing to study new data and use new tools necessary to reach each goal.

"It's the power of 'can' over 'can't,'" stated Cruger. "It is easier to criticize and tear people down than it is to take the positive side, to celebrate another's success – and it's the positive view that separates growth from stagnation. If you are not willing to learn, train your team and plan, you are not going to survive.

"I believe it in my core, in my heart," he confessed. "It is about having the long view versus the short. It's about accepting smaller margins and paying people fairly in order to get the right people through the door. It's not an overnight process. It takes sustained effort – like Jake's – and a longer vision, a longer time. It also takes education – for you, your staff and consumers – which also takes time.

"Just remember: With time, all things are doable."

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