

The Critical Importance of Being Your Own Best Example

My Knowledge Transfer Plan, Chapter 20

The chemistry of funeral service is changing dramatically and I fear the profession is at the point of crossing the Rubicon, i.e., the point of no return. Funeral providers currently face declining funeral gathering rates, meaning they won't need (and might not be able to afford) their 10,000-plus-square-foot buildings. Thus, the average revenue per call is declining because when a family doesn't hold a gathering before the disposition, some five points of sale are eliminated from your general price list.

Funeral service today is just that, a service. For you youngsters, prior to the early 1980s and the issuance of the Funeral Rule by the Federal Trade Commission, funeral homes were in the merchandise business. They sold the casket and all the other services – embalming, facility use, livery, etc. – were pretty much included in the price of the casket.

The defense of this methodology was that it was akin to buying a house. When you buy a home, you pay one price and do not separate the cost by allocating between materials and labor. Funeral service worked the same way until the Funeral Rule was implemented. Now, funeral pricing is on a merchandise and service basis, so families can opt out of certain services offered.

The nature of the service has changed little in the past 5,000 years. Step 1: The professional takes possession of the body and prepares it for the chosen ritual(s). Step 2: Gather the mourners. The job of this profession was therefore to provide for the deceased's final disposition, to help the assembled parties provide a proper send off for the deceased and to support the mourning of surviving loved ones. But if mourners do not gather in community, this reduces the importance of the professional and the services they offer.

In the past, funeral service required people to

serve people, but does it still? One of the new “disruptors” of the funeral service business model is the online provider, i.e., the virtual funeral home. This business model eliminates the huge investment in the purchase or rental of a building because the office space can be nominal. The website is the key cost, and staffing is usually a variable cost because it's only called upon when needed. Traditionally, staffing is the largest operational cost, followed by the facility. Thus, the reduction of these two costs allows a virtual provider to offer its services at a lower cost to consumers.

As for consumers using a virtual firm, they don't meet the online funeral arranger; it's all done on the internet, although there might be some limited time on the phone. Granted, this lack of contact between the professional and a survivor planning a funeral is a potential downgrade, but consumers don't know what they don't know.

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The virtual or online business is not mainstream yet. Out of three million deaths in the country each year, this might account for 10,000 calls, which isn't even 1% of all deaths. (Of course, the online direct cremation business exists almost everywhere but is still a limited provider.) I've seen the largest number of virtual arrangements take place in California, Oregon and Washington, as well as in Florida and the Carolinas.

Fifty years ago, however, the virtual funeral home

didn't exist, so going from 0% to 0.33% is a huge change upward. In fact, I estimate that this will increase to 100,000 calls, or about 3%, within the next 20 years. Investors are already jumping into the virtual funeral business with both feet, and I have seen some stupid-crazy valuations on these businesses, which tells me this business model is here to stay and will only grow.

The reason virtual funeral homes exist is because brick-and-mortar funeral homes lack an understanding of what consumers want from them. Funeral professionals are stubborn and still grumble about the good ol' days of bronze caskets. Today, the majority of funerals don't involve a casket, period, and brick-and-mortar locations have dropped from about 22,000 to about 19,000 in the United States. Meanwhile, the number of websites acting as virtual funeral providers has increased.

So, what can you do to protect your profession? Well, every year, I unfortunately need to write a sympathy note or two to a client or friend. Usually, I hear back from them, and this is what someone recently wrote to me: "I learned so much when I had to bury my child. I never knew what a survivor feels when having to make an at-need arrangement."

That "awakening" is not taught in mortuary school. This empathy might be lost as directors grow older and make hundreds of arrangements. That is a shame.

Your profession can take back the argument, however. There are about 140,000 full-time funeral service advocates operating in public view daily – the U.S. funeral service labor force. To take back the narrative, consider those 140,000 people your army and educate every one of them to talk about the importance of a funeral. Train them on what to say and how to say it. This isn't about advocating for burial over cremation; it's about embracing the best way for survivors to mourn and advocating that gatherings can offer vital support from friends and family.

Many have tried to answer the argument "Who is the funeral for – the deceased or the living?" Of all who have weighed in on this question, few are more renowned than Alan Wolfelt, Ph.D., of the Center

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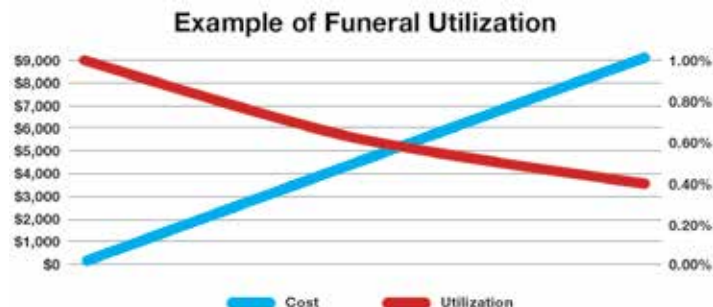
for Loss & Life Transition. He wrote: "Unfortunately, our mourning-avoiding culture has to a large extent forgotten these crucial purposes of the meaningful funeral. As a death educator and grief counselor, I am deeply concerned that individuals, families and ultimately society as a whole will suffer if we do not reinvest ourselves in the funeral ritual." Rituals are about person-to-person contact.

You, the people who know best the benefit of bringing the living together as part of caring for the deceased, know the value of a funeral. Here, I use the word "value" in its emotional and financial context. Emotionally, value means the regard that something is held to deserve. Financially, value means the relative worth of something. Thus, I am advocating for you and your staff to become the "Moonies of Mourning" in order to preserve the business side (financial value), as well as the survivor's best interest (emotional value). You must tell your story the right way!

When graphing numbers, there is usually an "X point" where the amount something costs versus the number of people using it intersects. Based on the example below, if funerals were totally free, what percentage of the population do you think would want one for their loved one? It might be near 100%, right? After all, people generally don't balk at hospice care since it's usually free to the consumer. Similarly, when the deceased has community support to help pay for the funeral, the service is often elaborate.

But when the consumer pays the cost, the utilization and selection of funeral services decrease as the cost increases. That "X point" represents the Rubicon I mentioned earlier.

Your full-time staff must become part of the pro-



profession's overall mission to explain the benefits of a funeral. How can 140,000 people change society? First, be proactive and educate every individual on the talking points. In the course of a year, if a staffer talks to 100 people, then that is a big promotion of the value of a funeral service.

Second, create the dialogue on your website. Interview people – with their permission, of course – and then edit their replies to form an active testimonial. Interview consumers who prearranged. Interview survivors of people who prearranged. Interview people who had meaningful funerals. The key is to change the narrative – you must begin narrating!

The single most effective means of growing a funeral home I've seen in the past four decades is via aftercare (or outreach). Right now, there are more than 100 different aftercare programs you can implement based on staffing, budget and other resource decisions. Aftercare requires more than just advertising, however. Capture the events on video and via photos so you can explain how you and your firm

are different. Most of the winners of NFDA's Pursuit of Excellence program have seen organic growth in their business by implementing community outreach programs.

The final matter involves practitioners themselves. Does your firm provide discounted funerals as part of your employee benefits package? When there is a death among your funeral staff family, you have a chance to demonstrate all a funeral can be. This is a time to show all your tools. This is a time to gather before the service and use video or other memorials, to demonstrate how a reception (whether in your facility or outside) enables mourners and supporters to gather and extend their time together. It goes without saying, but this is not the time to have a direct disposal.

For the sake of your profession, I beseech you to think "big picture" here. I urge you to focus on proving the value of a funeral by having mourners explain why they are happy with their choices. I urge you to become the advocate for funeral service in your community. It is not too late... yet.

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