

Three Pillars of Funeral Home Success in 2025

As Foresight's annual Funeral and Cemetery Consumer Behavior Study has revealed for the past five consecutive years, competition is intensifying and technology is reshaping how funeral and cemetery professionals connect with clients as consumer preferences and expectations evolve.

To not just survive but to thrive in this dynamic environment, funeral homes need a robust strategy built on three fundamental pillars: self-awareness, a proactive business plan and a strong, supportive culture. These elements are inextricably linked; together, they create a synergistic approach to success.

1. THE POWER OF SELF-AWARENESS

Success begins with a multifaceted understanding. In the funeral home context, this requires a keen awareness of three critical areas: yourself, your business and your community.

Self-Awareness: The capacity to understand your own emotions, thoughts and behaviors is paramount for effective leadership. For funeral home owners and managers, this translates into a realistic assessment of your strengths and weaknesses as a leader, your financial acumen, your human resource management skills and your understanding of operational efficiency. Essentially, how well do you set direction, know your people and know your numbers and the things that go into them?

Honest self-reflection here is crucial. Are you adept at managing the finances, or do you need help? Are you a good communicator, or do you need some training? Do you embrace technology and new ways of doing things, or do you defend the status quo? Such frank self-assessment allows you to identify areas for improvement, delegate tasks effectively and seek support where needed.

These are not skills funeral directors have traditionally excelled at, however, so don't hesitate to leverage the many resources available to you. For help, contact NFDA and your state association, as well as study groups and such companies as Foresight and Johnson Consulting Group.

Business Awareness: Understanding your business goes beyond its daily operations. It requires both a comprehensive overview and a deep dive into your financial health, operations and market share. You should constantly monitor your key performance indicators, such as revenue per service, mix analysis, profit margins and cash flow. Are you setting your prices properly and adjusting them regularly? Are you effectively managing your expenses? Are you adapting to changes in consumer attitudes and preferences, and, if so, how are you monitoring that?

Unfortunately, Foresight's annual study reveals significant disconnects between what funeral professionals believe consumers know about the products and services they offer versus reality. For example, funeral providers believe consumers have a 58% awareness of the various offerings available to them when, in reality, their awareness is only 25%.

In addition, many surveys indicate that a rapidly growing percentage of consumers now conduct online research before selecting a funeral home. This emphasizes the need for funeral providers to create a strong digital presence, including a well-maintained website, active online reviews management and effective digital marketing strategies. These are all critical components of business success in 2025 and beyond.

Community Awareness: Your funeral home is deeply embedded within its community. Understanding the demographics, social trends and cultural nuances in your market is essential for tailoring your service offerings in order to stay connected and relevant. The biggest question you must consider: Are you adjusting to the changes within your community, as well as within the funeral service profession?

While being engaged in digital and social marketing is vitally important, so is personal engagement. Actively engaging with your community is crucial, but too many professionals (particularly younger and/or more device-focused individuals) forget the importance of personal relationships. Attending local events, building relationships with community leaders and actively soliciting local feedback can all help you stay attuned to the changing dynamics of your market

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2. A PROACTIVE BUSINESS PLAN

Self-awareness is only the first step. It must be translated into a well-defined, actionable business plan in order to serve as your road map for success, guiding your decisions and ensuring that you stay focused on your goals.

Set SMART Goals: Avoid vague aspirations. Instead, set specific, measurable, achievable, relevant and time-bound goals. Instead of aiming for “increased preneed sales,” for example, aim for “a 30% increase in preneed sales within the first half of 2025.” The latter goal provides clear benchmarks that help you track your progress.

Financial Projections: Create detailed financial projections, including revenue forecasts, expense budgets and profit targets. Make sure you budget for your preneed sales and appropriate changes to personnel needs as well. Your projections must be realistic and attainable. If done properly, you can avoid a ton of heartache in the future.

Marketing and Sales Strategies: Develop a robust marketing plan that incorporates both traditional and digital approaches. This might include a revamped website, active social media engagement, targeted online advertising, participation in community events and strong relationships with referral sources. Many of the things that have worked for years are still valid today but just need augmenting.

Operational Efficiency: Constantly examine your firm to identify areas for improvement. Can you streamline workflows? Are you using technology to maximize command of your business? The Foresight study’s findings on technology adoption and client expectations highlight the urgency of incorporating technology into your operational strategies.

3. A POSITIVE CULTURE

Another finding in the Foresight study showed that while 89% of funeral professionals believe their organization is valued in the community, only 76% believe their organization values them as staff members.

Your competitive advantage for the future requires building and cultivating a team and an organization that feels valued and supported, as well as giving employees the tools needed to win. A strong, positive work culture is not just nice to have – it’s a necessity in today’s competitive landscape. It directly impacts employee morale, productivity, client satisfaction and, ultimately, your financial success.

Define Your Values: Clearly define the standards that guide your funeral home’s operations and interactions with your team, your clients and the community. These might include compassion, empathy, respect, integrity and a commitment to providing exceptional service. Many of you already have these in place, but it doesn’t hurt to revisit them to make sure they are still relevant.

Build a Supportive Team: Create a workplace where employees feel valued, respected and supported. This involves investing in training and development, providing opportunities for growth, fostering open communication and recognizing employee contributions.

Prioritize Employee Well-Being: Recognize that your staff members are your most valuable asset. Prioritize their well-being by providing some work-life balance, offering competitive compensation and benefits, and creating a supportive and respectful environment. Create an open dialogue and allow people to be heard. I firmly believe a happy, well-supported team will serve the client best every time.

Client-Centric Approach: A strong culture should be client-centric. Emphasize the importance of providing personalized, compassionate and respectful service to each family you serve. Every aspect of your operations, from the first call to aftercare, should reflect this.

EXECUTION AND ACCOUNTABILITY

As noted earlier, the three pillars outlined are inextricably linked and, together, create a synergistic approach to success. But even the best business plan is useless without execution. This requires discipline, dedication and a strong commitment to accountability.

Clearly Define Roles and Responsibilities: Ensure that everyone on your team understands how they can contribute to achieving the goals set out in your business plan by clearly defining them. In a small business, many of those roles will cross over but it is still important to delineate them.

Regularly Monitor and Evaluate: Routinely examine your firm’s progress versus your goals. This involves tracking key performance indicators, analyzing your preneed sales and financial performance, and evaluating the effectiveness of your marketing, community engagement and operational progress.

Adapt and Continuously Improve: The funeral profession is in constant motion, so be prepared to adapt your plans based on feedback, changing market conditions, and evolving client expectations. Keep your eyes and ears open, listen to your colleagues and clients, and keep changing with the times.

Accountability and Celebration: Establish a culture that holds everyone responsible for their actions and contributions. That said, don’t forget to celebrate successes

along the way! Recognizing achievements keeps morale high and maintains motivation. Everyone on your staff can use some recognition and appreciation – not just from the families you serve but from the home team as well.

In the evolving landscape of 2025, success in the funeral and cemetery professions demands a multi-pronged approach. By cultivating self-awareness, developing a proactive business plan and fostering a strong, positive culture, funeral homes can successfully navigate the challenges and opportunities that lie ahead. The synergistic interplay of the three pillars outlined here will empower funeral homes to not just survive but to truly thrive – all the while providing exceptional service to families while achieving long-term sustainability and success.

I firmly believe there has never been a better time to be in the funeral service profession than today, provided you are willing to be a little more progressive than the next firm. It isn't easy, but some awareness, a

good plan and a good team usually ensure a recipe for success. If you need help getting started, please reach out to NFDA, your state association or some other trusted advisor.

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