

# BUSINESS AND FINANCE

BY CHRIS CRUGER

## Is Your Firm's Health Helping or Hurting Yours?

**F**uneral and cemetery professionals are natural caregivers. They serve grieving families with empathy, walk alongside them during life's hard moments, and ensure that every detail of every service is handled with care. But in the process of supporting others, those same caregivers can neglect their own needs and those of their firm.

There's a lot of talk about self-care these days – and for good reason. Burnout and compassion fatigue are real risks in funeral service. But self-care isn't just about bubble baths and meditation. It's also about financial clarity, operational stability and long-term peace of mind. In short, it's about taking care of your funeral home, too.

One of the most powerful means of professional self-care is something many funeral directors only associate with selling their firm: a business valuation. This article reframes that misconception and demonstrates that a valuation isn't just a price tag but also a wellness checkup for your business and, by extension, you.

### REDEFINING SELF-CARE

When most people think of self-care, they think of temporary relief, such as a day off, walk in nature or uninterrupted lunch. But for funeral professionals, true self-care also entails reducing stress at the source.

Unfortunately, one of the greatest sources of anxiety is uncertainty about your company's future. Funeral home owners compulsively ponder:

- What's my business really worth?
- Am I set up to retire?
- Could I sell tomorrow if I needed to?
- Is all this effort really building value or just keeping the lights on?

These are valid questions, and ignoring them won't make them go away. In fact, disregarding them often leads to more stress. That's why business self-care is knowing where you stand so you can plan, act and breathe a little easier. You wouldn't go a decade without seeing a doctor, right? Yet many business owners go 10 or even 20 years without checking the financial "vitals" of their business.

A valuation is more than just a number; it's a comprehensive analysis of operations, financial performance, market position, assets, liabilities and growth potential. Think of it as a full-body scan for your fu-

neral home. Done proactively, a business valuation helps you:

- Identify risks before they become problems
- Spot opportunities to increase value
- Benchmark your progress over time
- Make informed decisions about investments, partnerships and business plans
- Gain peace of mind about your financial future

A valuation provides clarity in addition to numbers. And clarity is powerful. Even if the results show that there's room for improvement, at least you know and can take action. The mental relief of knowing that you're on the right track – or that you've got a plan to get there – is a form of self-care that no amount of meditation can match.

Here's a real-world example of how business valuations can benefit you and your firm and serve as a sort of self-care. Tom, the owner of a third-generation funeral home in a midsize Midwest town, had his business valued. He wasn't considering selling; he just wanted to get his affairs in order.

What the valuation revealed surprised him. Although his revenue had been stable, his expenses had crept up over the years, and his profit margins were tighter than he thought. He also learned that his positioning as the sole face of the business could be seen as a risk to potential buyers.

Armed with that knowledge, Tom didn't panic – he *planned*. He put systems in place to train his next-level staff, worked with a consultant to adjust pricing and expenses, and began developing a long-term transition plan. He still wasn't looking to exit just yet, but he wanted to be ready when the time came.

Two years later, an unsolicited offer landed on his desk, and Tom was in the driver's seat. He had a clean financial story, clear growth plan and the confidence to negotiate.

Clarity, preparedness and peace of mind – that's what self-care can achieve for you, too.

### WHEN TO VALUATE

There are obvious actions that necessitate a business valuation: selling or acquiring a business, planning for succession or retirement, seeking financing or re-financing, planning your estate, and more.

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But those aren't the only instances. In fact, smart owners should have their valuation updated at the end of each year. Doing so helps you keep an eye on what does and doesn't need improvement. There might not be a lot of change in your company's "health," but by checking every year, you generate data points you can compare to make sure your business is still operating "pain-free."

Creating a trend line over time, each valuation builds on the last. Is your revenue growing faster than your expenses? Is your profit margin improving? Are your customer counts flat? Such trend data is incredibly powerful for long-term planning – and persuasive when the time comes to negotiate a sale.

Here's a good rule of thumb: If it has been more than three years since your last business valuation (or if you've never had one), it's time.

## HOW TO START

If you're ready to treat your business to a checkup, there are a few simple steps to follow:

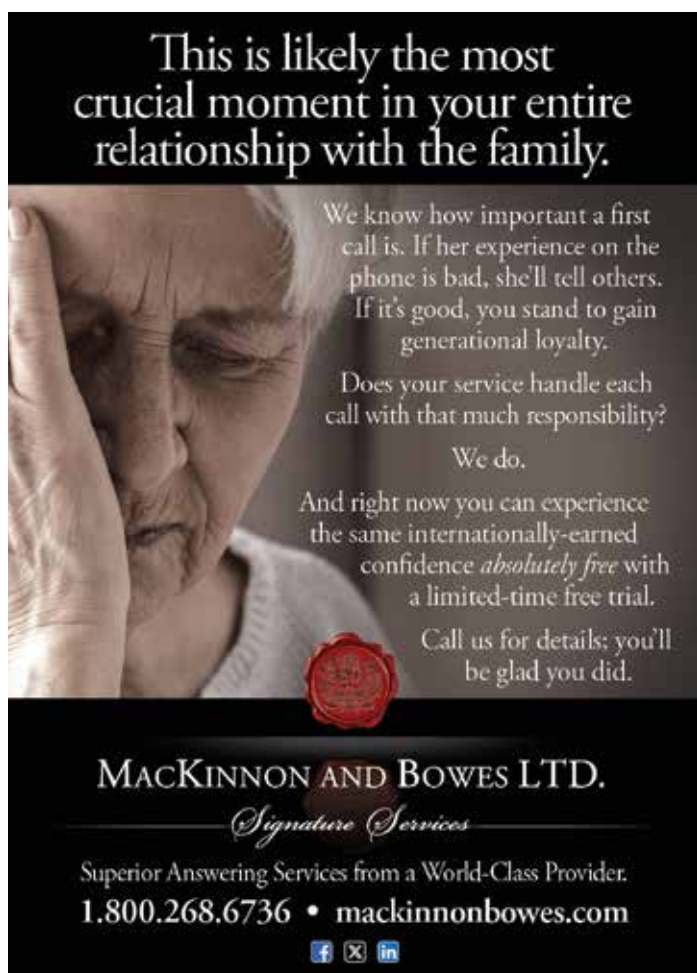
**1. Find a qualified valuation expert.** Not all valuations are done equally well, especially for niche businesses such as funeral homes. Look for a business

valuation firm with deep experience in deathcare. Ask professionals their approach to valuation and what factors contribute positively – and negatively – to a business's value. Ask what comparable numbers they would use to benchmark your business. A good valuation firm will be in tune with the market to give you meaningful insights, thereby strengthening the valuation.

**2. Be open and transparent.** A good valuation requires honest numbers and operational insight. Don't worry about looking perfect – the goal is clarity, not judgment. The more detailed information you provide up front, the more detailed your valuation report will be.

**3. Ask for recommendations.** A comprehensive valuation should include more than just a final number. Ask for guidance on how to bolster your company's value, reduce risk and plan for the future.

**4. Use it as a planning tool.** Share the findings of your business valuation with your financial planner, accountant or succession advisor. Let it inform your next steps, not just your exit.



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Caring for others is at the heart of what you do, but you can't show up fully for the families you serve, your staff or your community if you're running on empty. And that depletion can be caused, in large part, by the emotional drain of uncertainty and financial guesswork.

A business valuation might not seem like self-care, but it is. It gives you answers. It gives you control. And it gives you one less thing to shoulder when you're already carrying so much.

The next time you're thinking about self-care, don't just consider a massage or long weekend. Consider giving your business and your future the attention they both deserve. You might be surprised how much lighter you feel once you do.

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*Chris Cruger is CEO of The Foresight Companies, a business and management consulting firm specializing in succession planning, representation of buyers and sellers, financing and valuations. Contact Cruger at 602-274-6464 or [ccruger@theforesightcompanies.com](mailto:ccruger@theforesightcompanies.com).*

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