FORESIGHT

CASE STUDY

Staying Profitable in a Changing Market

THE CHALLENGE

A funeral home that had been in business for over a century experienced a significant shift in service trends. Cremation rates more than doubled from 17% in 2019 to 34% in 2023, placing pressure on revenue. While overall revenue grew during this period, revenue per call declined, impacting profitability. Foresight was engaged to help the business adapt to this changing landscape and improve financial performance.

THE SOLUTION

MILESTONE #1:
PRICING OPTIMIZATION

Foresight analyzed the pricing structure for cremation services and implemented strategic adjustments to better reflect service delivery and overhead requirements. As a result, average revenue per call rose by 27%, increasing from $5,513 in 2023 to $7,000 in 2024. The client also reduced discounts to align cremation pricing with the overall strategy.

Revenue climbed 10% even while serving 13% fewer families—proof that smarter pricing and cost control turned fewer cases into stronger profits.

MILESTONE #2:
OVERHEAD COST ALIGNMENT

A detailed review of overhead ensured that service fees appropriately covered operational costs. This prevented underpricing of cremation services and helped restore margin integrity across service types.

MILESTONE #3:
COST OF GOODS SOLD & INVENTORY MANAGEMENT

Foresight identified opportunities to streamline inventory and reduce merchandise storage. The result was a lowered COGS (cost of goods sold) from 42% in 2021 to 18% in 2024. Gross margin improved from 69% to 82%, significantly strengthening the business's financial position.

THE RESULTS

Now, the funeral home is on track for a 10% revenue increase, despite serving 13% fewer families. More importantly, profitability has taken a major leap, with EBITDA margins jumping to 13%, up from well below industry standards. Thanks to smarter pricing, streamlined costs, and a sharper focus on sustainable operations, the business is no longer losing money on the services it provides. Instead, it's positioned for continued financial health.

KEY TAKEAWAY

Better pricing and cost control turned fewer cases into stronger profits.