



Your funeral home's long-range success must begin with planning today.

“As for the future, your task is not to foresee it but to enable it.” – *Antoine de Saint-Exupéry*

On a daily basis, we all go through the process of planning our next 24 hours. Is it a workday? A weekend? What's on the to-do list? What chores must be accomplished? What obligations do we have to fulfill? Ultimately, all of the tasks we need to accomplish in our day are integral parts of how we will fulfill our overall daily goals. Though this is not often consciously thought of as strategic planning, that's exactly what we are doing. And without it, our lives could quickly become chaotic.

On a higher, more formalized level, strategic planning for your business can help determine the direction of your company over the next year or more, how it's going to get there and how you'll know if you've achieved your goals. The focus should be on your *entire* organiza-

tion, not just on the owners or a particular product, service or program.

Historically, strategic planning was centered around a written plan. It is our belief, however, that much of the benefit comes from the actual *process* of planning, rather than the typical focus on end results. If carried out effectively, this process can guide your organization to improvement on many levels while resulting in a higher level of self-awareness. It can also help your business evolve and emerge as a more positive force in the community, with a more meaningful impact on the families you serve and, ultimately, higher profitability, both reliable measures of success.

The Changes That Confront Us

Many general elements of change affect

us each day, and our level of personal success is often reflective of how we meet our daily challenges. Similarly, many specific factors that affect us in funeral service come into and go out of play, and our business success depends on how we meet the challenges specific to our place in funeral service.

As you think back over the past several years, many factors have affected and altered how your business has operated during that time span, and new dynamics will influence how you will continue to operate into the future. During the planning process, it is essential to be aware of how both external issues in your market area and internal issues within your organization will have an impact on your business and your community. Being cognizant of these issues makes you



better able to address them head on and create a planning process that integrates corresponding changes into your way of operation.

There are countless things that can affect your funeral business: changing neighborhoods, shifts in overall population numbers, average age increasing or decreasing, major employers moving out of or into your general area. In addition, there may be changes in the ethnic makeup of your market area, out-migration to warmer climates, new housing projects targeting a specific segment of the community, scattered families or a shift in the participation levels in local churches.

In addition to demographic concerns, there are a multitude of other factors playing key roles in the shaping of your business. How have changing consumer desires and demands affected your business? Have traditional rituals become less important to your families? Is there increasing demand for customization and personalization? How have various industry concerns (e.g., cremation, green burial, pet cremation) affected how you do business? What impact have increased cremation rates, greater competition from conglomerates and outside casket sales (from China, Wal-Mart, Costco, Amazon.com) had on your business?

The key to proper development of your strategy will be to translate your challenges and your responses to those challenges into an overall plan of action.

With baby boomers flooding the general marketplace with their unique demands, dramatic changes have occurred in marketing and advertising, public services and public policies.

Similarly, the demands placed on funeral service today emphasize *service*, *customization* and *personalization*. Part of the process of strategic planning will be to explore the plethora of ways to respond to those demands and augment the products and services you currently provide.

Offering families the opportunity to have greater involvement in the planning process of the funeral, providing customized products (specialty casket corners and panels, personalized caskets and urns, memorial stationery products, jewelry, portraits, candles, video tributes, etc.) and augmenting your offerings with value-added services (concierge- and hospitality-type services, aftercare programs, funeral celebrants, end-of-life planning, estate administration and probate, life insurance, care for the aged, and estate and financial planning) – these all allow the family greater input and the ability to design a funeral that will be meaningful and memorable to them. In addition, it provides them with invaluable services to guide them through the maze of paperwork and legal issues following the death and funeral of their loved one.

It is recognized that some of these issues venture into areas that require specific expertise and extensive knowledge and training. In some instances, funeral homes may be willing and able to incur the expense of adding new staff or having existing staff properly trained to provide some of these services to families. For many funeral homes for which it may not be economically feasible to take on such issues in-house, it may be beneficial to form outside alliances with trusted professionals who specialize in such domains as accounting, finance,

law and so forth and to negotiate a fee for client referrals. Or, as yet another alternative, the funeral home can act as a resource by providing seminars run by experts on issues of concern. By sharing valuable information with community members, the funeral home gains recognition, elicits appreciation and earns an identity as a source of knowledge in the community.

As you embark on your own process of creating a strategic plan, you must also consider the ever-growing desire and increased demand for the use of technology, including the widespread use of the Internet through websites and social networking sites; electronic devices such as flat-screen TVs for the showing of caskets, vaults and other merchandise and for displaying video tributes; and the live webcasting of funerals. It has become second nature for baby boomers and the younger generations to search the Internet for almost all of their needs, whether it's information, resources, or shopping for products and merchandise or providers of specific services.

While it's still important to maintain other traditional means of advertising to reach older people and others who have neither access to computers nor the know-how to operate them, the use of the Internet will continue to expand. Therefore, as you consider your plan of action, it will be crucial for you not just to maintain a website but also to be sure that it is fully developed, interactive, easy to navigate and updated regularly. It should include not just basic facts about the funeral home but also more detailed information including but not limited to the firm's history, staff, service offerings, pricing, online obituaries and register books, outside resources, photos and other helpful content and points of interest. While we recognize the need to watch costs and budget carefully, a website can generate calls to your funeral home with a resultant increase in revenue. The same can be said for the addition of other technological advances, and you should consider how their use can generate greater customer satisfaction and thus be justified financially.

Maintaining profitability is a difficult challenge facing many funeral homes throughout the nation, and it must be considered when crafting your own strategic plan for the future. These are tough

economic times for many businesses large and small, and balancing the need to become more service-oriented with maintaining profitability can often be a slippery slope.

It's common knowledge that there has been an overall increase in cremation in most all parts of the country. In 2010, it is estimated that the national average rate of cremation as a means of disposition will reach almost 40 percent, and by 2025, the national average rate of cremation is projected to increase to 60 percent. In addition, the number of deaths in many parts of the nation has decreased over the past several years. All of this exacerbates the fact that many funeral homes face increased competition from local competitors, consolidators, discount operators and outside (discount) casket distributors. Once again, being cognizant of these issues can help you address them within your own business.

Another element eroding the cash flow of many funeral homes is the increasing practice of families making arrangements that are "convenient," resulting in such practices as immediate services, none at all or simple memorial services scheduled months later at another venue. Fewer and less expensive caskets and other items of merchandise are being selected, further eroding revenue streams. As part of your plan for increasing your level of success, you can confront these changes and determine what you can do to offer and augment your services to these families to enhance their feeling that they have received more-than-adequate "value" and more fulfillment from the arrangement process and the service itself.

Finally, within the general population, there has been an overall erosion of traditional and religious practices and beliefs. Counterintuitive to this, however, is that at the same time, some specific cultures show a strong desire to maintain their ethnic traditions. Customs are time-honored ways of handling life events by carrying out certain practices, and it is fair to say that these have changed fairly dramatically in many parts of the country. Additionally, there has been a trend toward less church involvement and a corresponding decrease in adherence to traditional rituals, customs and practices. However, corresponding to this erosion has been an increased demand for per-

sonalization. As a result, traditional rites of passage are being replaced. Thus, the old perception of a funeral director as the "tradition broker" has evolved into the need for a funeral director to be known and recognized as a "source of knowledge." As part of your strategic planning, you should consider how you can help your families discover new ways to commemorate their death experiences and help them develop new and unique rituals, ones that are highly personalized and therefore more meaningful.

Responding to Changes

As a funeral service professional, your commitment to families should be geared toward a high level of superb service with personalization and helpful and compassionate planning, and you should become their source of knowledge. Meeting social and consumer demands head on will enable you and your staff to embrace certain breaks from tradition and help replace them with practices that will be more relevant and meaningful to your families. In doing so, it is critical to be cognizant of your own personal desires, beliefs and values and avoid projecting them upon your families.

As you weave your way through the planning process, it is important to remain flexible when adapting to changes and responding to interferences and disruptions encountered along the way. In order to be successful, you must be willing to try new things, adjusting and potentially dropping something if, after a reasonable amount of time and effort, it isn't working.

One of the keys to success is to keep in the forefront of your mind *why* you should plan. The purpose of the planning process is to set your goals for the company and plan the direction and courses of action that will lead you to achieve them. Since every firm is unique and all of the people within them are different, your assignment is to tailor the following steps to your specific situation so that the strategic plan is relevant to you and your organization.

Ten Steps of Strategic Planning

There are 10 steps to be addressed in the strategic planning process, and throughout its course, it is critical to seek balance between your goals and your available resources, including staff, facilities

and finances. An outside funeral service consultant can be invaluable during this process to serve as a resource for assisting you with formulating your strategic plan and as an unbiased source of creative ideas and strategies to obtain your goals.

1. Set a framework for strategy-making. The scope of time and scale should fit your particular situation. *Everyone* in your firm should become involved in some aspect of the planning.

2. Planning to plan. During this phase, it will be important to keep in mind that often “good” can be the enemy of “great,” and the feeling that things are “good enough” can lead to complacency and lack of motivation and can halt the growth and development of your business. To assist you in attaining the desired results, begin with the notion that inspiration must come from the top and filter its way down. Once you have identified the opinion leaders within your firm, you can then seek balance and move ahead with your plan.

3. Assess the external factors that influence your firm. An examination of your local and regional demographics and funeral trends in general are important to consider. Arm yourself with knowledge about what your competition is doing (or not doing) that works or doesn't work. Also consider what other funeral homes that are gaining recognition and acceptance are doing and consider developing shared alliances with others in the industry. During this part of the process, you should consider what you can add to your own organization that will enhance it and what area(s) could be improved upon.

4. Evaluate your current position. A

SWOT analysis lays out your firm's strengths, weaknesses, opportunities and threats and can provide you with a view of your firm's current position and its level of operation. In preparing the analysis, you should keep in mind that it should *not* just be from your perspective. Seek input from a support team, which could comprise your staff, accountant, attorney, industry consultant, families you have served, local clergy, hospice workers and others you work with closely in your market area or within the industry. Your goal should be to have your “team” assist you by providing an unbiased view of your funeral home's weaknesses and threats, as well as its strengths and opportunities, and brainstorm with you to find tangible ways by which you can strengthen your business.

5. Revisit your values and mission. Re-evaluate and reassess your ideas on an annual basis, making sure that your overall plan is still relevant and appropriate. It will be necessary to revise your plan according to new challenges and changes that arise. You should also consider what your values and mission have been up till now and question whether they match what you feel they should be. On an ongoing basis, it will be critical to be cognizant of the fiduciary measures you have taken and have an idea of how your changes are translating to dollars and cents within your organization. You should be constantly aware of your financial and other resources and measure how they are supporting your strategic plan; be prepared to re-evaluate, if necessary. At the same time, you should keep in mind the ever-changing needs of your families and their perception of your level of service.

6. Identify your firm's key issues. The SWOT analysis you prepared should now be used as a tool to address your firm's weaknesses and threats and to develop strategies to effectively deal with them. You should also begin to capitalize on your firm's strengths and opportunities.

7. Create your vision for the future. Keep in mind that the strategic planning process involves two types of planning – short-range and long-range. Thus, when crafting your plan of action and creating your vision, it will be important to set directions and enumerate your goals and tasks based on what you hope to achieve and how you see your firm in a year, in five years, in 10 years.

8. Determine your initiatives and strategies to achieve your goals. Based on your vision for the future, you should give thought to what you hope to accomplish, how you should begin and what steps you must take to make it a reality.

9. Make your strategic plan work for you. Once you have determined your plan, you need to “live” it by making it a part of your daily routine. At the end of a predefined period of time (a month or a quarter), ask yourself, “How are we doing?” If necessary, revamp your plan to address any stumbling blocks or obstacles that might be impeding your upward climb toward success.

10. Make your firm a strategic-thinking organization. Once the goals you have set have been accomplished, keep going by constantly re-evaluating your operation, reviewing your firm's performance and taking measures to correct your path, if necessary. And don't stop there – continue to set new goals and aspirations and continue on your journey of pursuing greater and greater success.

The ultimate measure of your firm's success will be its impact on your families and the community you serve, along with your resultant level of profitability. If you evolve and emerge as a more positive force in your community and to your families while maintaining or enhancing your bottom line, you will have succeeded in your mission. ★

Melissa A. Drake is COO and president and Kathy D. Williams CFO and secretary/treasurer of American Funeral Consultants Inc. They can be contacted at 800-832-6232 or afc@teamafc.com.

MACULAR DEGENERATION



Saving sight through research and education

MACULAR.ORG • (888) MACULAR • Northampton, MA

AMDF is a 501(c)(3) non-profit, publicly supported organization