



323 Buttonwood Lane
Tallahassee, Fl. 32317
Telephone: (850) 219-0800
Fax: (888) 565-5805
www.piercecfo.com

What Do Changing Funeral Customs Really Mean to the Independent Funeral Home?

By Bob Pierce

I have spent the better part of a year building a business to serve the death care industry. During that time, I have lived, breathed and dreamed funeral homes.

Last night, I was awakened to very real and very vivid dream. It involved a funeral director and his young son, maybe nine or ten. The part that I caught went something like this, "Very few funeral homes will survive the next two generations and therein, my son, lies the opportunity."

The conversation between the funeral entrepreneur and his young son is prophetic.

Our enlightened funeral director is right. Very few funeral homes will survive as standalone family owned businesses into the next two generations. The die is cast.

Funeral customs are changing. Family expectations are changing and the industry isn't keeping up with the changes. And, we are only seeing the tip of the iceberg. The changes to come will be greater than the changes we have seen. The industry is already clinging to the last vestiges of the traditional funeral in many markets. Many of us still depend heavily on these higher revenue services to remain viable and profitable. If the revenue from the traditional funeral were gone tomorrow, many of our colleagues would also be gone.

We can't change the fact that change is coming. It is inevitable. Most of our colleagues won't be able to cope with the revenue decline that will occur including many of the old multi-generational businesses that dominate their local markets today. Businesses will become

uneconomic. They will be part of the more than 75% that will be merged with another company or just cease business.

But, this is an upbeat article. Our enlightened funeral director's conversation was intended to inspire his young son, not intimidate or discourage him; "And therein, my son, lies the opportunity."

The changes that are happening around us, however, represent amazing opportunity for those who chose to recognize, confront and even take advantage of them. It is not enough to cope with a world in transition. We must proactively build our businesses to be a benefactor of the changes.

To be a benefactor, our strategic planning must be extremely long-term. And, the planning must recognize and address the revolution that we are going through today.

The solution is both very simple and very complex. And, every funeral entrepreneur knows how to be among the benefactors of change, at least on some level. The problem is that the solutions conflicts with existing industry paradigms. It is no longer enough to do more of what we are doing now. We must proactively adapt to our continually evolving circumstances.

Our industry, the NFDA and our industry publications, do an excellent job of keeping us informed as to the changes and the solutions. No one should be truly surprised by the "revelations" of this article. If we have been reading about our industry, this article is not news to us. It just brings our existing knowledge base into greater focus.

There is a two part solution for the funeral entrepreneur. First, he or she must shed the day-to-day administrative tasks. We will not be survivors if we are up to our necks in administrative quicksand.

Second, the funeral executive must think strategically. Our decisions must be made with a clear vision of the future and not in response to day-to-day influences. The future of our industry is very clear. It is the future of the "sleeping" funeral business that is cloudy.

Another tip; the surviving funeral firms will not be the ones with entrepreneurial executives who roll up their sleeves and work harder. That is the old way. The executives of the surviving businesses will instill underlying values in their organizations and establish clear and achievable objectives for their teams. They will motivate their employees. They will measure achievement and they will acknowledge both individual and team accomplishment.

The executives of the survivors will manage their firms to success. They will leverage their efforts with effective leadership. They will take a proactive approach to the changing world. The solution, for the funeral entrepreneur is, as always, simple in some respects and very complex in others. The path that he or she must take, however, is very clear.

The funeral entrepreneur who faces the challenges head on will be the benefactor of the changes, stronger and more profitable than ever. They will manage their profitability. And, they will respond effectively to the evolving needs of their families. "And therein, my son, lies the opportunity."