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## **The Real Story of Preneed**

**By Robert L Pierce**

Every funeral home, and every business for that matter, needs a mission statement. The mission statement formally reinforces the underlying values of the organization and defines expectations for the organization and its team members. It is the benchmark against which daily activities are judged. In a perfect world, the mission statement would be read by every employee, manager and owner every day before beginning work.

Most businesses, however, do not have a mission statement. As a result, they tend to lack the clarity of focus and individual commitment to excellence that great organizations have. Our country would look very different without the guidance that is supplied by our constitution. Companies will tend to drift without the guidance that a mission statement provides to its team members.

Funeral homes invariably focus most or all of their attention on the at-need service portion of their businesses. As a result, funeral homes tend to have similar (and often non-responsive) mission statements. I will give you some examples. "We will satisfy the stated or unstated needs of our client families" or, "We will provide a meaningful tribute to the memory of the deceased" or, "We will provide a meaningful service that responds to our families unique needs for closure," or, "We will provide every service in a dignified and meaningful manner in accordance with our eight step family satisfaction program," etc. Mission statements are very personal to an organization and must be carefully tailored to give appropriate guidance to team members.

Many funeral homes define and communicate the mission of their organization reasonably effectively when it concerns the delivery of at-need services. Most, however, fail to incorporate a mission statement for their preneed programs and, as a result, many funeral entrepreneurs and funeral directors misunderstand and lack respect for the preneed concept. Because they lack the guidance of a mission statement, they often confuse the terms "preneed program" and "preneed sales effort." It is the preneed program that is important to the funeral home and its

clientele and prospective clientele. Preneed sales are only as important by product of an effective family oriented preneed program.

It is important to define the attributes of a preneed program so that we can distinguish it from a preneed sales effort. A preneed program will have the following attributes that distinguish it from (the hated) "sales effort:"

- It will tie into and be a part of the over-all marketing program
- It will introduce the funeral home to the public
- It will keep the funeral home in touch with its changing market
- It will educate the public about funeral service
- It will educate the public about the benefits of prearrangement
- It will offer a quality prearrangement without an "expectation" of pre-funding
- It will educate the public as to the benefits of pre-funding the funeral
- It will offer funding alternatives that are consistent with the business plan of the Company
- It will introduce the funeral home to families outside of its traditional market
- It will leave the family with a professional prearrangement packet whether the service is funded or not
- It will leave the family with other valuable information to assist the family/next of kin when the need arises
- The preneed program will be an integral part of the funeral home, not an appendage
- Its compensation arrangements will be consistent with its mission statement
- Its compensation arrangements will be consistent with the long-term strategies of the funeral home.
- It will integrate all prearrangement "holders" into the funeral home family
- It will have a separate operating plan, budget and monitoring systems
- The prearrangement program will be monitored regularly to determine that it is still consistent with the over-all objectives of the business

Once the attributes of a preneed program are defined, the benefits to the funeral home and the community are obvious. We accomplish the following:

- We educate
- We increase our influence in the market
- We provide a valuable service to the community
- We offer our clientele the opportunity to plan a funeral event that is consistent with their wishes while they are living
- We make the economics of a death more affordable (if it is pre-funded)
- We reduce the impact that economics will have on funeral choices at time of death
- The prearrangement, in effect, locks in the funeral traditions of today

- Based on the success of our preneed program, we can predict the growth of our funeral business with considerable accuracy
- We build a stronger relationship with the community.

Preneed is decidedly different than the controversy that surrounds it. It is not about the technical issues or funding alternatives. It is not about portability. It is not about the “isolated” abuses that occur. It is not about the “inconvenience” to the funeral director upon fulfillment when a preneed contract has an issue caused by inadequate communication at the time it was written. While these issues are important, they pale in when compared to the benefits that a good preneed program offers to families.

A good preneed program is a major part of a funeral homes service to the community and its families. It introduces the funeral home to people who might not have had the opportunity otherwise. It builds strong relationships with families and the community. It is a significant part of the funeral homes marketing effort. It is a very important part of a funeral home business if it is managed effectively.

It will not accomplish the objectives that it should, however, if it is not treated as an integrated and valuable part of the funeral home’s services to its families.