

Three Ways to Strategically Grow Your Revenue as Cremation Rates Rise

By Bill Williams and Wendy Russell Wiener, Esq.



The cremation rate continues to climb in the United States, and it is a movement that shows no signs of decline in the future. According to recent data provided by CANA, the preference for cremation over burial in the U.S. rocketed from just over 5% in 1975 to 56.1% in 2020. The predicted cremation rate of nearly 73% by the year 2030 shows the trend will continue unimpeded.

Indeed, some companies have managed to turn the rising rate to their benefits with cremation-focused “contemporary funeral homes” becoming more and more popular in some areas of the country. And while what’s trendy can often prove to be short-lived, this industry knows that doing cremation well is a key business driver.

Given the compelling data, there are ways for firms to benefit from the nationwide rise in cremation rates, besides by just increasing cremation call volume—by strategically managing the growth from tech to preneed sales to add-ons. With that goal in mind, following are three ways that the growth of the cremation rate can grow revenue for your business and allow you to capitalize on this continuing emphasis in end-of-life preferences by many Americans.

1. Leverage technology to reduce strain on families, staff time, and resources

Technology can reduce strain, not just on staff time and resources, but can also reduce pressure on the purchaser. For the consumer, being able to choose between a variety of services and then buy from the convenience of home is an attractive option. Tech can also streamline the process for the cremation seller, as nearly every document that’s needed to go from point-of-sale to returning cremated remains to the family can all be built right into the online cremation sales platform.

But there’s another advantage. Facilities can avoid regulatory issues regarding gathering the authorization for cremation during a preneed transaction. The law of each state sets out the order of priority of persons who can authorize cremation. Almost every state puts the decedent, while preplanning, at the top of the list, assuming certain formalities, which means that for a cremation provider, if there is already authorization and

directions by way of a contract or will, then the firm need not obtain an additional authorization from a spouse, child, parent, sibling, or other authorizing agent. And, securing the cremation authorization during the preneed transaction often eliminates the disagreements that can arise between family members when the decedent has died.

By having the forms integrated into the contract creation process, not only is hassle saved for family at time of death, but staff has the documentation to rely upon to proceed and perform the cremation. The key to building an efficient operation for a firm is a tech platform that allows consumers to buy, and authorize, simply and in a regulatory-compliant way—making the job simpler for the firm when the time comes to cremate the decedent.

As an example, FSI was recently able to help a cremation provider build a new contract creation system. Overall, the system’s features saved a tremendous amount of time and money with lessened recordkeeping and labor by the company. The cremation provider’s salespersons also follow a streamlined uniform process during contract creation, increasing compliance and lessening the risk of losing sales.

2. You need your Preneed

For most firms focused primarily on cremation, success in increasing revenue will come from one of two areas—either incorporating a preneed sales program or strategically growing an existing program.

The first step in assessing a preneed program is to decide on a funding method to offer families—trust or insurance.


In brief, trust-funded preneed contract sales provide ease of sale and ease of purchase and result in greater total revenue to the deathcare firm. Insurance-funded preneed sales require one or more additional licenses. In the short term, insurance-funded sales do provide revenue from commissions, but trust has provided a higher return in the long term, even taking the commissions into account. Understanding the benefits of each is important, as is a thorough exploration of the many benefits of trust administration and proper recordkeeping.

3. Explore end-of-life celebration package offerings

While already in the process of leveraging the technology available for preneed contracts, adding celebration of life packages to services can significantly increase revenues for a cremation facility. The eyes of many families were opened during the COVID-19 pandemic to the benefits of having these events later, at a safer time, well after cremation.

Many people currently think of cremation as the conclusion of the funeral process, but it is important to remember that cremation is simply a method of final disposition, like burial. A robust offering of celebration of life packages can be easily done online using tech. Staff need not sit with families to explain package options and consumers have the option to decide between beautiful end-of-life celebrations while in the comfort of their own homes.

The Bottom Line

Most businesses aren't concentrating enough effort into purposing new areas of opportunity while so many consumers already have their attention on cremation. Cremation sellers can benefit from this natural rise in case counts, and there are strategic moves available to leverage the growth and increase revenues, beginning with tech platforms and custom solutions. 



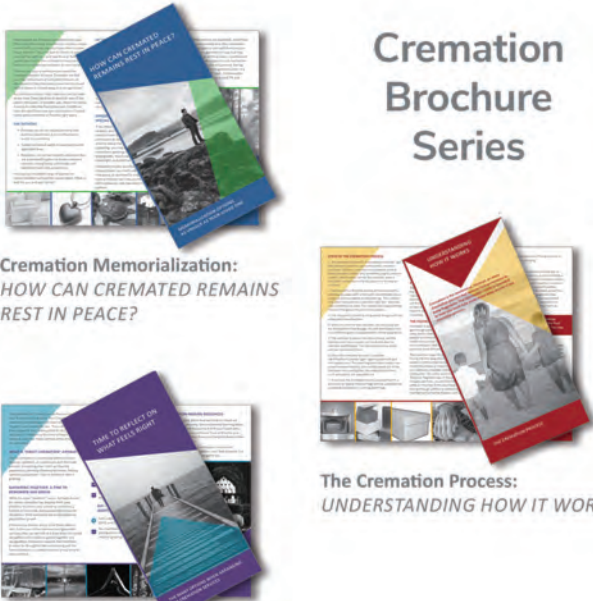
Bill Williams is president and CEO of Funeral Services Inc. (FSI) and serves on FSI's Board of Directors as vice chair. He joined FSI in 2001 as vice president. He was named president in 2003. Under his leadership, FSI has expanded to offer services in more than two dozen states. Williams has experience in every aspect of the funeral service profession, including ownership and management of funeral homes and cemeteries. He began his

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