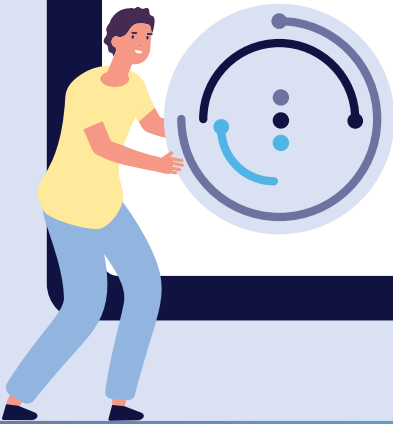
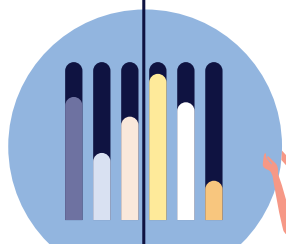
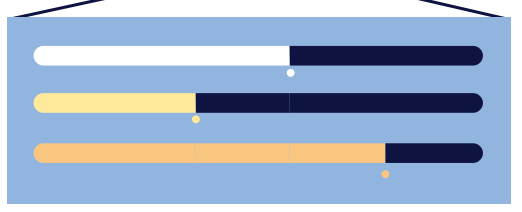
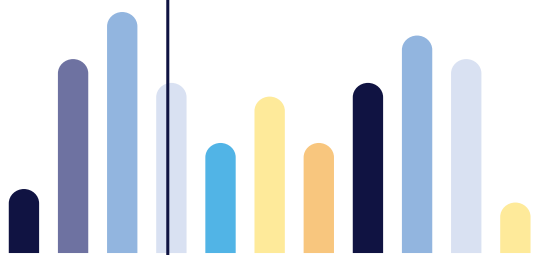




KPI



How Do You **MEASURE** Business Growth?

by Bill Williams

Choosing the Right Performance Indicators

One of the biggest challenges funeral directors and cemeterians face is leading their companies when times get tough. It takes skill to know what aspects of the business should be improved to propel the company forward.

As the deathcare industry continues to grapple with decreasing death rates in the wake of the pandemic, strategic pivots are required to keep revenues up and expenses down. To accomplish both objectives, funeral home operators must know which measures of success, or key performance indicators (KPIs), have the most impact. They must monitor those KPIs closely to protect profits and increase sales without sacrificing the quality of services that families have come to rely on during their time of need.

During my 40-year career in the deathcare industry and as a business owner, I learned first-hand how keeping a mindful eye on a select group of KPIs can help a company achieve its financial and operational goals. Sure, you must track traditional financial yardsticks such as revenue, gross profit, net income, accounts payable, and cash. That is a given.

But deathcare professionals must move beyond traditional financial benchmarks and monitor other metrics that yield important clues about the future performance of the business. I'm talking about forward-looking indicators—such as website traffic (number of visitors, click-through rates) or sales leads (the pre-need sales pipeline)—that provide leaders with key data points to better gauge the probability of the business hitting its revenue and profit goals.

Here are several proven KPIs that deathcare leaders and business

owners can monitor to better manage their companies: website traffic, pre-need sales, and trust growth.

Website Traffic KPIs

A funeral home's website is an indispensable business development tool that can be used to grow and sustain sales. Most Americans begin approach a purchase by first conducting online research. But when it comes to planning a funeral or memorial service (not just surfing for information), an estimated 40% of families start the process online, according to the National Funeral Directors Association's "2022 Annual Consumer Study Findings" report.

Given that backdrop, it is critical that your company's website be more than simply a brochure that describes your funeral home and the services and products you offer. In addition to being user-friendly and easy to navigate, your website must provide visitors with useful information to help them during their buying journey.

How those visitors interact with your website will provide you with invaluable clues about what they are searching for when planning end-of-life celebrations. The data can help you adjust your marketing strategy and fine-tune your digital ad spending to maximize the return on that investment.

Funeral directors and cemeterians should focus on KPIs that monitor engagement (how visitors are interacting with your website) and conversion (recording the number of visitors who signed up for emails, downloaded content, or made a purchase). A quick online search will produce plenty of websites that feature a laundry list of KPIs, but here are several that our business regularly tracks:

- page views
- unique visitors

- new users, sessions
- pages per session
- average time on page
- average session duration
- conversion rate
- traffic source; and
- organic traffic.

Pre-Need Sales Metrics

A well-designed, scalable pre-need trust program will likely be the deciding factor in whether funeral directors and cemeterians exceed or miss financial goals. Pre-need contracts now typically represent 20–40% of revenues. That number continues to increase because more families are opting for pre-need contracts so they can have end-of-life planning arrangements in place when a loved one passes.

One of the best ways for a funeral home to manage and forecast pre-need revenue is by using a robust sales or customer relationship management (CRM) platform. There's no need to reinvent the wheel here. There are plenty of cost-effective tools that can be integrated with existing websites and with trust administration and record-keeping platforms.

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I cannot stress enough the importance of tracking KPIs and using a CRM platform to manage sales. With a CRM application, you have a finger on the pulse of your sales efforts and can evaluate progress in real time. By understanding trends in what your customers are looking for and buying, you can make strategic tweaks in your services and products portfolio. For example, if you're seeing a decrease in plans for traditional services, you can offer a variety of more modern celebration-of-life packages.

A few KPIs to improve pre-need sales management are the number of *pre-need inquiries* (through traditional and online

channels), number of *pre-need contracts* sold, *average revenue* per pre-need contract, and pre-need *backlog revenue*.

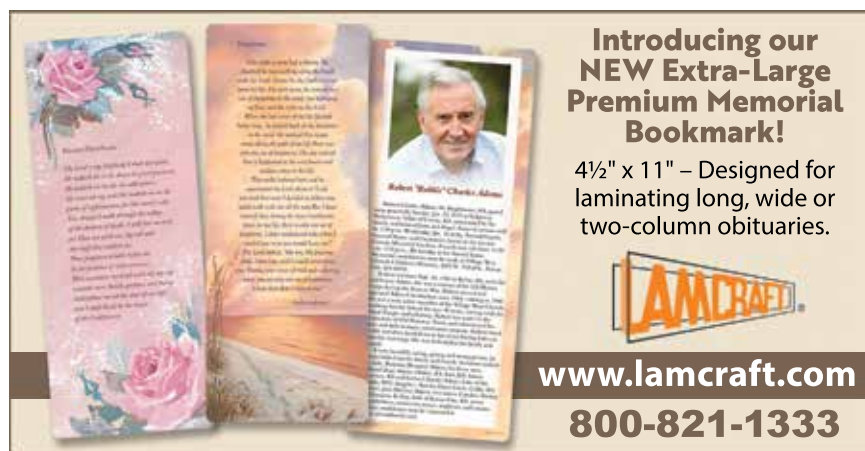
Trust Growth Indicators

One of the most important measures of success that deathcare firms should review is *growth in their perpetual care or pre-need trust assets* to make sure the programs are operating at maximum efficiency. Inflation is still a problem, and the fixed income and equity markets are under pressure. It is imperative that you have timely information so you can make any necessary adjustments to ensure that those assets will cover future service delivery expenses.

In this day and age, you must have remote access to trust records available 24 hours a day, 7 days a week. And your trust administrator should provide detailed reporting of earnings, fees, and withdrawals, as well as record-keeping and sales support. The upkeep of those records is central to your operations, and mismanaging them may lead to pre-need trust underperformance, losses, or legal issues. The KPIs that should be measured include *trust and contract market value*, *earnings and expenses of the trust*, and *trust withdrawals*.

As legendary management guru and author Peter Drucker has said, "What gets measured gets managed." Your funeral home or cemetery has likely become a fixture in your community and a vital resource for families during their time of need. By managing the KPIs that matter, you can position your business for success and continuing to serve your community for future generations. ■

Bill Williams is a licensed Florida funeral director with more than 40 years of experience in the deathcare industry. Bill is a native of Pensacola, FL, where his family owned and operated several funeral homes and cemeteries. In 1988, Bill and his family sold the firms to a funeral industry consolidator where he was employed for the next 11 years. During that time, Bill had at-need, pre-need, funeral, cemetery, and crematory responsibilities for a large geographic area. In addition to his operational responsibilities, Bill served as a market director, corporate trainer, and financial analyst specializing in deathcare. In 2001, Bill accepted the position of vice-president of Funeral Services, Inc. (FSI). In 2003, he was appointed president of the company and elected to FSI's Board of Directors. Under Bill's leadership, FSI has grown into the largest deathcare trust administration company in the nation.



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