



Front AND Center

Practical sales and operations strategies to blunt the impact of inflation and sustain sales to keep your business growing in 2024.

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The market for pre-need trust services is changing, currently being affected by two trends: more families seeking unique end-of-life celebra-

tions but also families that are more budget conscious after two years of surging inflation. It's those two things – sustaining sales momentum, especially preneed, and blunting the impact of inflation – that need to be front and center in your planning and budgeting for 2024.

In our conversations with funeral home and cemetery owners, most felt good about their businesses heading into the new year. Revenue pressure, rising costs and finding workers tend to be at the top of the concerns list.

Those views are consistent with recent reports from the U.S. Chamber of Commerce's Small Business Index, which in September recorded its highest score since the start of the COVID-19 pandemic. The chamber's Q3 2023 Index Score found that 66% of business owners said their companies were in good health and 72% said they were comfortable with their cash flow.

While the U.S. economy has been strong despite the Federal Reserve boosting interest rates to the highest in 22 years to combat inflation, deathcare professionals are being cautious about 2024. Based on various forecasts our company has reviewed, the deathcare industry will see low- to mid-single-digit revenue growth in 2024.

Inflation, however, has been hovering around 4% (but well off the pandemic-era peak of 9.1% in June 2022), so it's understandable that the industry is wary about the near-term future.

Here's the big picture: When planning for 2024, you need a strategic approach to navigate stubborn inflation and low sales volume. Here is how you do it.

UPDATE YOUR LEAD-GENERATION APPROACH

Your funeral home should focus on more than just incoming customer calls, particularly since those calls are more likely to result in new business that generates less revenue than in the past. That is because more families are opting for cremation, which is forecast to increase from 60.5% in 2023 to 81.4% by 2045, according to the 2023 NFDA Cremation and Burial Report. More than half (54.4%) of respondents in that survey cited cost as the main reason for choosing cremation.

There is another factor at work. The deathcare industry is seeing a bifurcation of the market. Bud-

get-conscious families are spending less on funeral services because inflation is hitting their pocket-books. Fortunately, those sales declines are partially offset by purchases by more affluent families willing to spend more on nontraditional, customized end-of-life celebrations.

To maximize sales, your business must take a data-driven sales and marketing approach to winning new customers. And this is where technology is your friend. There is a wide range of affordable customer relationship management (CRM) applications that can be seamlessly integrated with your business' computer network, including your preneed record-keeping and administration platform.

CRM allows you to track every lead (incoming calls and emails, for example) to help you build relationships with customers during their purchasing journey. One other key benefit of CRM is that the information will also provide invaluable insight into consumer behavior. For example, you can:

- Compare results of different marketing campaigns
- Determine which consumers tend to purchase different product or service offerings
- Communicate directly with consumers who provide contact information
- Monitor sales progress to help improve the probability of closing more preneed business.

If you do not have a CRM app – or are not expecting to use one this year – then you have other options to boost sales. These include:

- **Analyze customer preneed sales data to improve target marketing.** If you are not already utilizing this vast resource of data, now is the time. Your preneed sales database will give you insights into a wide range of demographic data, including age, gender, geography and more, allowing you to hyper-target your marketing efforts.

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- **Review the complete customer journey and identify success measures.** This is where the cost of managing your website (and your CRM app, if you have one) pays for itself. A robust website allows you to track interactions with visitors and see which sales and information resources they are relying on to make purchasing decisions. That data will be incredibly useful when having face-to-face

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meetings with families to help them plan a celebration that meets their needs and their budget.

• **Expand service offerings to capture additional revenue-generating opportunities.** The days of families holding services like the ones their parents

or grandparents attended are long gone, and they're not returning. Funeral directors and ceterians need to offer a suite of services appealing to a new generation that is searching for unique, end-of-life celebrations.

FIGHT THE BATTLE AGAINST INFLATION

For many deathcare professionals, this isn't their first inflation rodeo. They survived and ultimately thrived when prices normalized. That said, many funeral directors and ceterians still fall back on old-school thinking and slash costs and capital invest-

ment across the board to protect the bottom line.

We believe a more strategic approach can help safeguard profits while still providing enough capital to sustain growth. Here are four areas of focus:

• **Review supplier pricing.** During the pandemic, the balance of power shifted from buyers to suppliers. Funeral home and cemetery business owners, however, are in a better position given the very real concern that consumers may be cutting back on end-of-life services. Yes, relationships run deep in our industry when it comes to working with vendors, but now is the time to do a deep dive into the prices you are paying suppliers. Ask for better volume discounts and do not be afraid to diversify vendors.

• **Analyze pricing and increase prices where warranted.** Your pricing strategy is one of the most important keys to your business' success. Review several years of pricing for your products and services to accurately calculate how much prices have increased on an annual basis. Compare those to industry benchmarks and competitors. You may be surprised to find how much wiggle room you have to nudge prices up a bit without alienating families in your community.

• **Automate administrative tasks.** Anyone who has met me knows how much of a champion I am for leveraging the power of technology to improve productivity and cut costs. Today's cutting-edge digital tools can significantly automate recordkeeping and preneed trust administrative tasks, freeing team members to spend more time on business development efforts and customer service.

HERE'S THE BOTTOM LINE

Although 2024 is shaping up to be an uncertain year in terms of revenue and profits, deathcare professionals are well-equipped to handle the challenge. By making smart investments in new lead-generation strategies, setting strong preneed sales goals and putting operational expenses under a microscope, funeral home and cemetery owners can profitably adapt to the changing economy and still provide quality services to families in their communities. ☰

Bill Williams is president and CEO of Funeral Services Inc. and serves as vice chairman on the FSI Board of Directors. He joined the company in 2001 as vice president and was named president in 2003. Under his leadership, FSI has expanded to offer services in more than two dozen states across the country.

The advertisement features a dark blue header with the 'ONEROOM' logo in white. Below the logo is a quote in large, bold, dark blue text: "It gives us the advantage of helping grow our call volume." To the right of the quote is a simple line-art icon of two overlapping speech bubbles. Below the quote, the name 'Stuart Murray, General Manager, Hainstock's Funeral Home & Crematorium' is written in a smaller, dark blue font. A horizontal line separates this from the next section, which is titled 'Livestreaming with OneRoom' in bold dark blue text. Underneath this title are three bullet points, each with a checkmark icon in a square box: 'Elevates the customer experience', 'Showcases your 1st class service to a wider audience', and 'Puts you a step above the competition'. To the right of these bullet points is a line-art icon of a hand-drawn arrow pointing upwards and to the right. At the bottom of the graphic, the website 'oneroomstreaming.com' is displayed in a bold, dark blue font.