

Business

By Patti Martin Bartsche

Funeral Services Inc. *Celebrates* 40 YEARS

Where there's a will, a funeral director – or someone connected with funeral service – will find a way.

Which may help explain the success of Funeral Services Inc., a trust administration and preneed contract record-keeper company headquartered in Tallahassee, Florida.

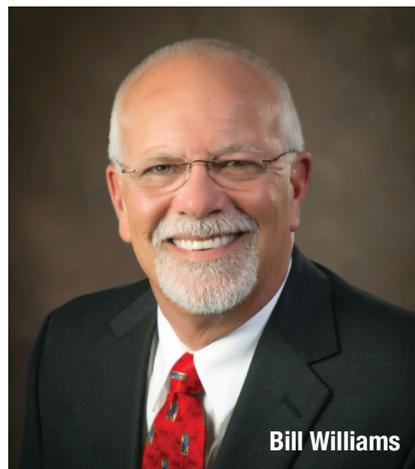
Originally established by members of the Florida Funeral Directors Association in the late 1960s, it wasn't until 1978 that FSI emerged out of its cocoon and established the first master trust in Florida.

For about its first 30 years, FSI was a good, relatively small regional company, FSI vice president Paul White, noted. But in the last decade or so, thanks to the leadership of President and CEO Bill Williams, the company has evolved from a regional player to a national player in trust administration.

"FSI was blessed to have good leaders early on who always saw the need for continuous improvements," said White, who joined the company in 2005. "Under Bill's leadership – Bill's very tech oriented – he's set the tone for us becoming the company we are today."

Williams, who joined FSI in 2001 as vice president, and was named president and CEO two years later, said there's a simple reason for the company's success.

"Here's the little secret ... FSI was founded by funeral directors for funeral directors," Williams laughed. "In fact, when the company was conceived, you could only own stock in the company if you were a licensed funeral director."



While that is no longer the case, Williams said, the majority of the company's board of directors are licensed funeral professionals.

"FSI was designed and built for the funeral director, to help them comply with the laws (of Florida)," explained Williams, a licensed funeral director since 1987. "While the company has evolved substantially over the years, the funeral director is always the reason for what we do."

The purpose of the initial 1978 Master Trust, and the trust accounts that have followed since, was to provide an economical method by which funeral and cemetery establishments may participate in a common trust; thereby providing financial stability, economies of scale and security for preneed contract purchasers.

Over the years, FSI has grown substantially, not only in size and scope, but in what it is able to offer clients.

When Williams accepted the position of president in 2003, FSI operated within the boundaries of Florida

only and had approximately \$150 million in trust assets under administration with a single trustee.

This year, total assets under administration are more than half a billion dollars, and FSI now administers death-care trusts in nearly half the states in the country, and clients include national insurance firms that are offering new trust products to complement their preneed insurance products, and nationally known third-party marketers. The company also works with almost 20 different banks and trust companies across the country.

“We have also invested millions of dollars in our technology to make it easier for our clients to do business with us,” White noted.

White also pointed to the company’s contributions to funeral service, including being heavily involved in writing and lobbying for passage of the qualified funeral trust, and FSI taking the lead in the promotion of the total return trust, or unitrust, election for cemeteries.

“Everything we do is with that funeral director or cemeterian in mind,” Williams added. “It’s always about what can we do to make the business side easier for the funeral director so they can focus on the business of taking care of the families they are serving.”

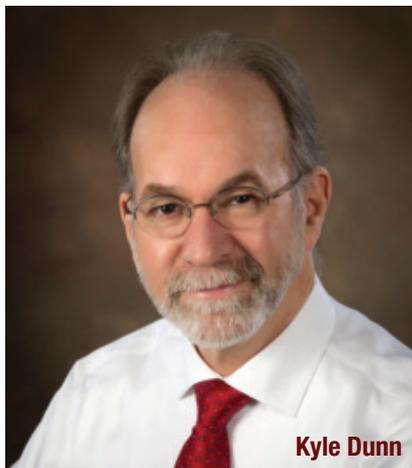
Technology Is Key

There is little question that technology is a key component that has helped drive FSI’s success.

Although Kyle Dunn, FSI’s chief technology officer, is not a funeral director, he is technology expert. In the early 1980s, Dunn, who owned his own software company, was approached by the Illinois Funeral Directors Association and asked to develop a funeral home software system.

“The IFDA gave me a new IBM PC color computer with a 10-megabyte hard drive and launched my career in the funeral industry,” Dunn recalled.

Dunn would later head off into the corporate world before returning to funeral service circles in 1998 as FSI’s chief technology officer.



“When I started with FSI, its proprietary software system was based on the industry standard IBM AS400 computer ... even then FSI was considered the technology leader in the funeral industry,” Dunn said.

But Williams, a self-described “computer geek,” was not satisfied with FSI’s technological offerings when he joined the company.

“He wanted technology that was more accessible and better served the funeral director,” Dunn said. “He set off on a bold path to build a new generation of software.”

Today, Dunn noted, FSI offers eContract to generate error-free, professional and compliant preneed contracts in the family’s home or at the funeral home with digital upload to FSI’s servers, while eRemote and eScan offer more efficient processing of paper contracts and document management, and eCommerce allows selling preneed direct from a funeral home’s website.

Over the years, the company has also invested heavily in both computer hardware and customized preneed programming.

“When I became president, I knew I wanted to grow FSI outside of Florida,” Williams said. “But I also knew that the computer system was not flexible enough to take on new states.”

After 10 years of development – and millions of dollars of investment – that is no longer the case.

“I don’t think \$1 billion (in trust assets) by the end of the year is out of the question,” Williams said.

Investing in People

Paul White, FSI’s vice president, traces the company’s success to customer service, referrals and investing in the future.

Interviewed during the NHL playoffs, White said a quote by hockey legend Wayne Gretzky seemed appropriate: *I skate to where the puck is going to be, not where it has been.*

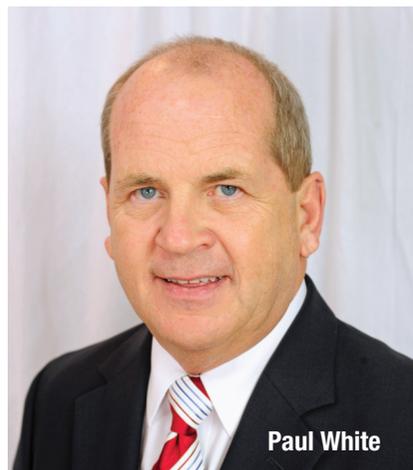
“I think this quote describes FSI because we have always looked to the future and made substantial investments in people, processes and procedures,” White said. “This has enabled FSI to become better at what we do. Do things better than anyone and the puck just might come to you.”

A licensed funeral director since 1976, White has dedicated his career to the preneed side of the profession since 1988. He was a partner in a large third-party preneed marketing organization until early 2005, when he sold his interest in that company.

The plan was to take some time to determine what the next part of his career would look like.

But then Williams called “out of the blue” asking White to join FSI.

“I joined the company in March of that year with the short-term goal of getting our newest state, Alabama, up and running with a solid client base,” White said. “My long-term goals were the desire to be a part of a quality preneed organization for the entire fourth quarter of my career and help it reach new heights in terms of clients served, trust assets administered and states in which we do business.”



White knew from the time he was 15 that he wanted to be a funeral director ... and own his own funeral home. "But my career took a different path," he said.

"But what I have learned about myself in these last 13 years with FSI is that preneed has been as rewarding to me as having owned my own establishment," White said. "I have made friends and contacts from all across North America."

By its own count, FSI has 19 employees who account for 281 years of cumulative service.

"This group has been together for a long time offering a wealth of knowledge and experience to our customers," Dunn said. "Across the entire company, they are such a caring and professional group."

In a business world when job-hopping is commonplace, why have so many people stayed at FSI?

Meiko Whitfield thinks she knows the answer.



Whitfield joined FSI fresh out of college with a degree in marketing. The idea was to get her foot in the door, gain some experience and move on to something "bigger and better" within five years.

Somewhere along the way, that five-year stay has extended to 29 years ... and counting.

"FSI has continued to evolve," said Whitfield, who is now FSI's vice president of client services. "There has never been a time when things have remained static ... the goal is always to find ways to improve the way we do things."

When she first joined FSI, for example, Whitfield pointed out that everything was paper reporting and everything was mailed. "I'm happy to say that because of technology advances, people can go online at any time and get what they need. We rarely mail anything anymore," she said.

Wendy Bruner, assistant vice president of client services, pointed out that FSI is equally committed to investing in its employees.

"FSI is really good at giving you the resources you need to help you do your job better," said Bruner, who joined the company 21 years ago. "And they care about people ... the employees and the clients they serve."

Proactive leadership is the key.

"Harriet Irwin (FSI's previous president) and Bill Williams constantly challenge us," Whitfield said. "They want to know what problems our clients are having and what we can do to help solve them. There's a real sense of accomplishment in being that problem solver."

FSI clients are on different levels of the technology spectrum, Whitfield pointed out, and the company is able to meet them where they are ... or where they want to be.

"There are some funeral directors who stress change, there is the newer funeral director generation that embraces change, and there are businesspeople going into the death-care industry who expect a certain level of technology," Whitfield noted. "FSI has the ability to serve all of these client needs effectively and efficiently."

In fact, a number of FSI's technology developments have come out of client suggestions and needs.

"Clients appreciate the fact that the company is proactive ... we hear that a lot," Bruner said. "We've built long-standing relationships with many of our clients, and they know that help is only a phone call away."

And while new solutions may be several months in the making, FSI has the resources "that we can say with confidence (to clients) we can do this for you," Whitfield said.

Longtime employees say it's easy to stay at a company that appreciates and values its employees.



"You know that the work that you do is important because there is a lot of positive feedback," Bruner said. "You feel needed and appreciated, and that makes it easy to stay."

White said there's a simple reason why FSI's employees are some of the company's most valuable assets.

"Without them, we are just another trust administration company," White said. "They (the employees) make all the difference, and are one of the major reasons we've been as successful as we have been."

Williams agreed.

"We really have some of the best people in the business working with us," he said. "It may be a cliché, but if you take care of your employees, they will take care of your business."

Looking Forward

While FSI has been able to evolve in its first 40 years, Williams wants to continue to grow the company ... not only by expanding its client base, but also in the services it offers customers.

"You have to be willing to invest in your business and have the foresight to look in the areas in which you can grow," Williams said.

"We're pretty sure, that from a state government and possibly federal government standpoint, that there are going to be more (trusting) regulations and restrictions in the future," Williams said. "FSI has in-depth knowledge of all federal and state regulations, and we have the expertise to meet regulatory requirements with ease and simplicity, dramatically minimizing the risk for clients." •