

SouthernTM

◆ FUNERAL DIRECTOR ◆

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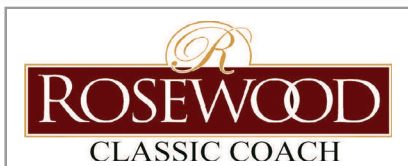
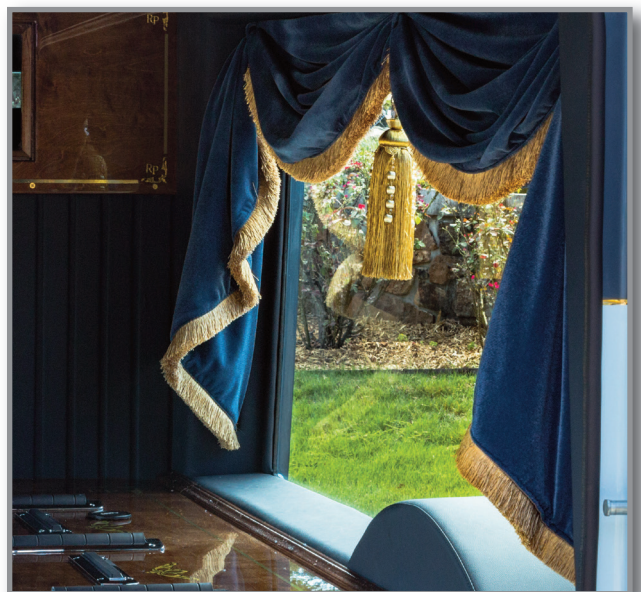
When Is It Time To Sell? 2017 Mergers & Acquisition

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SFD Goes Up Close and Personal with Bill Hudson, Carriage Services
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Professional Car Society to Hold 41st Meeting in Lebanon, MO - July 19-22, 2017
ASD at ICCFA 2017 Expo in Nashville, TN
Homesteaders Life's Steve Lang Set to Retire, March 2018 - Steve Shaffer Appointed to Succeed



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Southern Funeral Director Magazine®

P.O. Box 768152
Roswell, GA 30076



John W. Yopp
Publisher/Editor
404-312-6640
johnyopp3@aol.com



Elli Morris
Associate Editor/Managing Director
elli@ellimorris.com



Kathy Akopov
Graphics/Art Director
kathyakopov@gmail.com


Southern Funeral Director Magazine
P.O. Box 768152
Roswell, GA 30076
404-312-6640 phone
404-565-1436 fax
johnyopp3@aol.com
www.sfdmagazine.com

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notes from the editor

By John Yopp

It's "Springtime" and means it is time for SFD Magazine's annual "Mergers & Acquisition" issue! We are especially honored to have a number of industry leaders to participate in this popular issue and would like to thank Jake Johnson, Johnson Consulting; Jeff Harbeson, Foresight Companies; Jeff Boutwell, New-Bridge Group; Deanna Dydynski, Express Funeral Funding; Chad Fondreist, Midwest Business Capital; Bill Hudson, Carriage Services and Tim Bridgers, Live Oak Bank for their time, effort and expertise in their articles.

Although the number of consolidating companies (big and small) have decreased over the years, there still seems to be a good bit of activity in the funeral and cemetery profession for business owners to make a transition rather it be for retirement, succession planning or expanding their operations. One of the biggest predictions from most industry leaders centers around the 70 call businesses that may need to merge or allow a neighboring competitor to absorb his business to help offset the rise in cremation cases and the lack of traditional funerals that lowers the annual revenue and profit numbers.

It is well known, according to Shannen Mayfield, Federated Funeral Directors of America, "that nearly one-third of all independent funeral home operations will change ownership hands in the next 10-15 years, due to owners getting up in age and needing to get their equity out or leave the business to the next generation. And with the continued rise in cremation, that means that current business owners need to operate even smarter and more economically than ever before."

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to owners getting up in age and needing to get their equity out or leave the business to the next generation. And with the continued rise in cremation, that means that current business owners need to operate even smarter and more economically than ever before."

One item of interest to consider, is for any business owner to start his sell process 2-3 years out which means to obtain the highest value for his or hers business, it is best to have immaculate Income Statements and begin to run the operation with less personal expenses, report all revenue (including cash) and clean up your balance sheet to have an attractive package to present to sellers when the time comes. Anything less, will devalue the business and leave the owner with less equity to re invest...



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“Q&A” with Jake Johnson, President of Johnson Consulting Group Business Decisions for your Funeral Home

“Q” – It has been said that a funeral home is “more valuable yesterday than today.” Do you feel that a funeral home operation is less valuable each and passing year because of the rise in cremation and the decline in revenue?

Depends on the individual funeral home. Some more progressive funeral homes are taking advantage of the market and actually growing in revenues while at the same time streamlining their operations. Those firms are not losing value. Unfortunately that is the minority. The majority of funeral homes are feeling the rise in cremation as well as the decline in clients buying habits as they opt for lesser service and casket. These firms are definitely losing value year to year and the trend is not likely to stop. If the trend continues, and it will, it may be time to make some hard decisions.

“Q” – What is the realistic life span of a 70 call funeral home over the next 10+ years, as the cremation rate continues to rise and the traditional service continues to fall? Is there enough profitability for a 70 call firm to survive or will they need to merge or sell to other neighboring firms to have enough volume to survive?

As cremation continues to rise, it is the smaller funeral homes that will feel the impact the most just because they do not have the scale to adjust for this trend. This is especially true as most owners do not want to adjust their personal standard of living as profits continue to decline. The natural next step would be for smaller firms to merge to add some scale to their operation and keep labor at a reasonable level. Hard for some to do so but it does make sense.

“Q” – With bank regulations continuing to tighten down on lending guidelines, do you see private and regional consolidators reaching out to more venture capital partners to find flexible lending avenues?

Not sure. The regional consolidators we know are



pretty solid and have banking relationships in place. The venture people will always be there but you have to give up a piece of the pie to use these guys and most are unwilling to do so. There are some venture folks out there currently that are being rather aggressive so we can wait and see how they progress.

“Q” – Have the larger public companies completely abandoned the “Main Street USA” businesses in favor of larger metropolitan cities where community relationships are less needed and higher prices are less notable than in small communities?

The larger consolidators certainly focus on the larger metropolitan cities but they will also look at independent firms that are in a geography where they currently have a presence. It appears that they are shying away from Main Street from a glance but I think there is still a market for many of these firms. However, they should not expect the same value multiples as the larger more metropolitan firms. As the years roll out, I believe the Main Street firms will provide a better opportunity for the regional consolidators to expand.

“Q” – How important, in your opinion, is it for any funeral business to have an active and proactive pre need program? What does that mean for future market share and revenue?

At this point in time in our industry, you need a solid pre need program to survive in the future. You can protect and expand your market by doing so and many times the at-need portion of your business will grow because of the pre-need activity taking place. It really

needs to be an aggressive program if at all possible. Just writing up walk-ins you have served in the past is not the answer.

“Q” – With active firms trying to garner more market share, tell the readers how “The Johnson Consulting “Performance Tracker & Survey Program” can enhance your revenue and increase your market penetration in their perspective communities?

I encourage everybody to read our free analysis done on our survey and sales results. It is a must read to understand what the customer is saying and how you may want to consider marketing in the future. You can shoot me an email at jjohnson@johnsonconsulting.com and I will send the article. That said, the performance tracker is doing quite a few things. It is analyzing sales and averages by service type, arranger, location, company (and region if desired). I have a presentation I do showing the impacts on value when you compare one arranger’s average to the next. It certainly stresses the importance of training and being sure the staff and the owner are aligned in the importance of presentations to the family. The reports that result from the data are easy to follow and automated to quick review. The survey that is being performed is tracking the level of satisfaction for each service and can once again being broken down by service type, arranger, location, company (and region if desired). The survey is providing results on how the customer found you along with how well they would promote and their overall level of satisfaction. There are quite a few questions actually which are meant to draw out areas we can improve as operators. With the amount of data that we push through this system, it is very easy to identify whether you are performing at a high level or just average. We have some very high performing funeral homes that I use as benchmarks for my own funeral homes I own. We set the bar high for customer service and have hard data that proves that it is possible. You would not be able to quantify this type of goal without such a program.

“Q” – In a recent survey, the “Top 2” areas of focus that funeral directors chose were: 1) Add new personalization options for funeral services; 2) Incorporate more technology into memorial services; 3) Enhance more technology into memorial services...Can you give us 3 additional areas of

focus and expound a little on each one?

The biggest one I can think of is to embrace social media. There are customers out there who search the web and other social media locations that will come to your funeral home if your web sites and your messaging is effective. Load up your past clients and reach out to them to assure they will return to your funeral home. Reach out to others in your area to entice them to you your firm. You can do this through mailing lists, etc. Then ask a questions, are you out in your community enough to sustain and increase your business. Many did so in the past but over the years have backed off a bit. May be a good time to re-energize and put yourself and staff back in front of your market.

“Q” – Have the multiples of cash flow (EBITDA) remained steady or have they declined due to buyers concern about shrinking margins due to rise in cremation? How much more of a multiple will the larger consolidators pay compared to the private or smaller regional consolidators?

Basically multiples have remained fairly constant except in the cases where large buyers are competing against each other. It is also fairly clear that a smaller firm in a remote area usually will (not always) obtain a smaller multiple for their business. To your last question, the multiples from regional consolidators does not differ that much from the larger consolidators except in cases where the larger consolidator really wants the firm. In those cases it can be difficult for the regional guys to compete.

“Q” – What advice can you give the independent funeral home owner to help him increase his profitability as well as increase the value for his business, so if and when the time comes for a sale, he or she can maximize top dollar?

Make sure you take a real look at the trend of the business. If calls are declining and/or the mix is declining, it has a dramatic effect on the business. That being said there are several things you can do to maximize the sale. If you do not have a successful pre need program, start one. It can help with the trend issue and better prepare for future business. Do not be afraid to raise prices as long as you are still in a comfortable range in your market. The biggest cost in most firms is labor. Take a good hard look at all of your personnel.

If there is a way to downsize a bit yet maintain the quality of service you give it is time to do so. The rest is just common sense items. The number of cars used in the business, making sure your advertising and promotion is effective, making sure you are collecting your money up front, etc. etc. The key is to not wait too long to sell your business. Far too many funeral directors wait until their businesses are close to being distressed. In these cases, it can become very difficult to find qualified buyers.

About JCG:

Johnson Consulting Group is a funeral home and cemetery consulting firm specializing in all areas of the funeral business life cycle. Those services include mergers and acquisitions, business valuations, bank lending, accounting services, strategic planning, business performance analysis, business performance improvement, customer survey/sales analysis program and incentive compensation programs. Contact us today at 1.888.250.7747 or visit us at www.JohnsonConsulting.com.

Our Mission









We strive to be the leading consulting firm in the funeral and cemetery profession across North America by providing “Total Solutions” consulting in every aspect of the business life cycle. We will accomplish this through Experience, People, Systems, Process, Measurement, and Accountability. Ultimately, our value promise is that our clients will achieve increased performance, increased profitability, and maximized enterprise value.


Jake Johnson has rapidly advanced into senior leadership roles and gained respect throughout

the funeral and cemetery industries. He is known as an innovator, change agent and thought leader. Jake’s success is based on his unique ability to identify simple solutions to complex business problems and communicate across all levels of the organization, instilling positive morale, empowerment and employee ownership to drive service excellence. His strong foundation in accounting, financial analysis and EBITDA forecasting is complemented by technology savvy and broad general management qualifications in business development and operations. As President & CEO at Johnson Consulting, Jake provides strategic direction and marketing innovations that laid the groundwork for the company’s rapid growth, gaining recognition as the premiere total solutions provider within the funeral industry. In his former position as Executive Vice President and General Manager at Palm Mortuaries and Cemeteries, he provided key operations leadership to the Palm Cemetery Division. Jake began his career at Keystone Group Holdings (now Dignity Memorial Network) as Associate Director, Corporate Development, where his financial analysis and forecasting expertise was foundational to the firm’s growth. Jake’s educational credentials include a BSBA degree in Management with an emphasis in Accounting and Financial Analysis from Xavier University in Cincinnati, Ohio. Rounding out his financial portfolio, he is a licensed Real Estate Agent and licensed Investment Advisor representative. Jake is also a member-emeritus of the Funeral Service Foundation Board.



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**“I knew everything
about my business.**

**Except how
to sell it.”**

*Laurens Fish III
Weed-Corley-Fish
Funeral Homes &
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One doesn't learn everything about their business overnight. In fact, it has taken me over three generations of family ownership and I'm still learning. When it came time for me to make a transition, I realized I was out of my comfort zone. My research kept showing that Johnson Consulting Group was the "go-to" firm for funeral homes in my situation. It was the best call I ever made.

Not only has JCG helped funeral home owners time and time again, they understood that this would be my first and only time to do this. And that I had some unique wishes. Like the fact that I wanted to stay involved after the sale. And that I wanted my staff to stay intact as well. My goal was to remain connected and have more time to devote to the local community and my favorite charities. JCG made all of that happen. They know their business. Because they understood mine.



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My Continuing Learning Journey at Carriage Services in my new Role as a Member of the Carriage Acquisitions Team

By Bill Hudson

Southern Funeral Director goes “Up close and personal” with Bill Hudson, who recently joined the Carriage Services’ team as Managing Director of Strategic & Corporate Development. Through a special look at Bill’s new expectations and his implementations of Carriage’s Mission Statement of “Being the Best and Five Guiding Principles,” you’ll learn not only how his past experiences influence his new role but also how you, as a member of the Funeral Service Industry, may benefit from a “decentralized partnership” with Carriage. As Bill eloquently explains, working with Carriage will give you the opportunity to create the right, customized options to preserve and care for your beloved family business.

When I accepted my new role as a Managing Director for our Carriage Services Strategic & Corporate Development Team after a lengthy consideration regarding a career change, I knew that I was joining something very different. As I proceeded through my interview process, I began to learn through the people I met at Carriage that the Company’s Mission Statement of Being The Best and Five Guiding Principles were more than just words on a piece of paper. My new team I have joined actually “walks the walk” that we talk about!

I felt a natural alignment with Carriage’s Mission Statement and Five Guiding Principles because these things accurately represent what I have always believed in and how I have conducted myself day in and day out in my extensive experience as a casket vendor professional and leader. My career has been built upon building and nurturing deeply meaningful, quality relationships based on honesty, integrity, and trust. And now I am part of an organization that equally and consistently values relationships and partnerships as I do. It makes my job easy to be able to speak about things that I truly believe in. While every new day is a continuation of a lifelong learning journey, and I am still learning more about Carriage Services myself, I wanted to share a few very important things that I have observed, learned, and experienced in my relatively

short time here.

Vision and Values

Carriage’s Fifth Guiding Principle: growth of the company is driven by decentralization and partnership means exactly how it reads on paper. However, there are additional contexts and meanings within these words that are not so immediately obvious:

- “Growth” as defined by Carriage, means achieving our Mission Statement of Being The Best. It does not mean growing to be the biggest as I think that seat for being the biggest has already been taken. What it means to me is a growth in value and performance.
- “Decentralization and partnership” should be viewed as one concept (and not as two words joined by an ampersand). What this means to you is that a business retains its autonomy to operate and compete locally while receiving partnership and leadership support in functions such as IT, HR, Payroll, Accounting, Treasury, etc.
- While Carriage is a publicly traded company, we are not a corporate consolidator! There are no corporate initiatives being forced down five to seven layers of management enforcing a budget. In fact, we believe that the standard consolidation model for “corporate” funerals has done much more harm for everyone at hand—local communities being served, local staff, prior owners—everyone except the corporate consolidator. We are 180 degrees opposite from being “corporate” and this Guiding Principle captures that.

Our decentralized partnership framework with you is meant for your business to remain local and continue delivering high value personal services to local families and growing local relationships through local employees. Carriage holds the same passion, commitment, vision and values as our prior owners do in our stewardship of the legacy and heritage you have

worked so purposefully hard to build. The power of our partnership platform allows for local leadership to work on building the business and not just merely working in it.

Tailored Succession Planning Partnerships

You and your family have spent years and oftentimes generations in building your successful family brand. We have no intention of changing anything at all that has made your business what it is today—not your way of doing things, not your vendor and community relationships, and most certainly not your people. While we would welcome you to our family of first class businesses, we also believe that we are joining you.

I want to briefly explore what “selling” your business to Carriage would potentially look like under our decentralized partnership framework. It all begins with two questions you want to be able to answer: 1) what is it you are trying to achieve? And 2) how involved do you still want to remain and in control of your business? Because Carriage is not a corporate consolidator and does not believe in a “one size fits all” approach, our partnership with you can be tailored however you want in order for you to achieve what you want. Every single one of our Carriage businesses operates differently from the other with their own identity because each and every one of them is different and unique. Here are a few of many scenarios how a partnership with Carriage may work:

- You may choose to step back from being in your business all the time but still want to be in your community while enjoying more of the associations and functions that you have struggled to attend in the past. You will be proud appearing publicly after your affiliation with us.
- Many prior owners have stayed in control becoming successful Managing Partners while being supported by our excellent Houston Support Office.
- There are times when an owner with multiple locations decides that he/she wants to retire but cannot decide on a successor between two or three quality internal managers on staff. Our decentralized operating model can offer the solution to such a dilemma.

Regardless of so many other hypothetical scenarios we all can come up with, a partnership relationship done right means that your legacy business will continue to remain locally prosperous.

Long Term Happiness vs. Maximized Sale Price

I have many wonderful relationships that I have made over my years, and I have seen many prior owners, some former clients of mine at Aurora and others who were industry friends, who ended up deeply regretting over time selling their business solely on maximized price to the highest bidder. There is no doubt that financial security is a personally beneficial thing.

However, there are some prior owners who hadn't thought the whole process through beyond the purchase price. These are the situations where a prior owner may begin to feel regret and alienation from the community in which he/she still resides after the euphoria and initial happiness that comes from an influx of money once it wears off. The funeral home that you and your family took pride in for so many years has been re-branded and looks extremely tired from the lack of capital re-investment from the corporate owner. The “soul” of your former business that is represented by your longtime employees is gone, all terminated by the corporate owner. Eventually, that business you built locally with your own blood, sweat and tears, is no longer recognizable to you even though it still bears your family name on the sign.

In closing, I simply wanted to share with you a perspective of my learning since joining Carriage Services earlier this year. First, it is important for owners to find a partner where there is naturally an alignment of vision and values. You want a partner who will “love” your business as much as you do. Secondly, in your consideration of succession planning, please realize that you do not have to accept the traditional corporate consolidation model, and that you have partner solution options that can be tailored for you. Finally, please consider thinking about and identifying priorities that go beyond a maximized price when searching for the right partner for you.

Bill Hudson joined the Carriage Services Strategic & Corporate Development Team in 2017. Prior to this, Mr. Hudson spent twenty plus years building long lasting relationships throughout the industry in leadership roles for Aurora Casket. Bill can be reached at Bill.Hudson@carriageservices.com



Choosing a Lender with Experience Helps You Navigate Tricky Closing Process

by Chad Fondriest, Senior Vice President, United Midwest

When acquiring a funeral business, financing the purchase can prove to be a difficult obstacle in the process. Many banks don't understand the value funeral businesses create in their communities, while many funeral directors think they won't be able to find a bank willing to lend the amount needed to purchase a business. If it's your dream to own a funeral home and you've made the decision to buy a business, it's critically important to consider working with a specialty lender who understands the industry. If you work with a bank who's learning the industry at your expense, it can be a costly experience.

Many traditional bankers tend to be real estate focused. They fail to understand that in the funeral business, there's more than just the real estate involved. They'll base the value of the business on the value of the building. For example, if the business is valued at \$1 million, but the bank estimates the value of the building to be \$500K, they may offer to loan you \$350K. This isn't a good deal for the buyer and can set him or her up for long-term financial struggles. With a funeral business, while a portion of the value should be based on the building, beyond that, it's based on the service they provide and their standing in the community. A niche lender will understand that and structure a loan that is much more likely to be beneficial to both the buyer and the seller. So, how do you determine if a lender has experience in the funeral industry? Ask. Ask how many funeral home loans they've provided. Ask for names of funeral home owners with whom they've worked. If they can't provide that information or have only worked on just one acquisition, perhaps it's time to look for a lender that's a better fit.

Once you've chosen a lender, here are some issues that can come up during the closing process and some advice on how best to handle or avoid them:

1. **Expect the unexpected:** A common misunderstanding with buyers and sellers is that after the issuance of the loan commitment letter, the rest of the process will be a breeze. While everyone's goal in the acquisition is to get to the finish line and close the sale, something unexpected is likely to arise during the process. Lenders don't always know what that will be, but it almost always happens. Title issues, environmental issues, legal issues and other unforeseen challenges often crop up. The key is to stay open minded so the

lender can work through it to resolve the issue and move forward. So, mentally prepare yourself for these bumps in the road to ownership.

2. **Trust, yet verify:** While it's important to maintain goodwill and a positive relationship between buyer and seller, don't hesitate to ask questions along the way to clarify anything you don't fully understand. Stay amicable, but don't be afraid to ask the hard questions. And, don't rely solely on the bank to carry out your due diligence.
3. **Be sure to consider third-party report costs:** While a business valuation and a real estate appraisal confirm the purchase price is appropriate, additional surveys can be required—and the cost for those isn't always known up front. Be sure your lender includes a closing cost budget that's reasonable. Does it include some wiggle room for unexpected expenses?
4. **The closing date:** While some buyers fret about closing on the closing date, it's more important to get it right than to close on time. Don't become so fixated on the closing date that you overlook having a clear title, ensuring there are no liens on the business, taking care of any unresolved litigation and so on. While the closing date is a target to shoot for, if it shifts, it isn't the end of the world—as long as it's done right.
5. **Don't be afraid to get a second opinion:** If you're unsatisfied with the structure of the financing or how the closing process is progressing, don't hesitate to get a second opinion from a lender familiar with funeral home financing. You have more options than you may know and there's usually a workaround for any issues that may arise during the process.

The bottom line is that purchasing a funeral business is a big decision and choosing the right lender to work with you through the process is vital to the long-term financial health of your new business. About the author: Chad Fondriest is the senior vice president of United Midwest Savings Bank, a specialty lender with years of experience in the funeral industry. He works with those acquiring funeral homes to ensure they get a loan structured to help them be successful. Jody Myers, the business loan manager of Funeral Home Financing Associates, also contributed to this article.

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TIME TO

SELL!

By: Jeff Harbeson, Director of Marketing,
The Foresight Companies

The funeral profession is approaching an era unlike we have experienced thus far. With the average age of a funeral home owner approaching sixty-six years old, over the next several years there will be an increase in the business transfer activity in our profession.

When I describe a transfer of a business, I'm speaking about funeral homes that will be sold, follow a family succession plan, merge, or close their doors. Funeral home owners have the following questions to ponder:

- When should I sell my business?
- How much is my business worth?
- To whom should I sell my business?
- What are my options if I can't sell my business?

Let's address the questions above to initiate fodder for thought about a ginormous (big deal) life event. I have been around the profession a while, and even though I cannot predict exactly what is going to happen with mergers and acquisitions in the future, please consider my speculative views.

The question of when to sell a business should seem quite simple to answer; when the owner wants more freedom to spend time with family, or traveling, or otherwise enjoy life while still in good health. Basically, it's time to hang up the black suit and put on a swimsuit. Good answer, right? Before placing the for sale sign under the magnolia out front, an owner should first review his business financials.

Unfortunately, in many cases, this particular review may not pan out exactly like the owner expected. I have personally been part of many a funeral home valuation where the owner gets the news that their business sweat and toil is worth significantly less on the market for sale than dreamed. Perhaps the call volume became stagnant over the last several years and your revenue per call declined as the cremation rate in your community increased. Being the good neighbor in a small town, raising prices was not an option because your families are struggling. Even as your cost of goods and overhead increased, you thought it was best to hold firm on the GPL.

The worst time to sell a funeral business is when it has not been financially cultivated. What does that mean? In a nutshell, a funeral home business is an investment. The balance between managing revenue and overhead of operations may seem mundane especially if the perception is "we're doing alright." However, calculating the EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) may reveal something other than "we're alright" to potential buyers.

Thus, the value of a business, which includes both tangible and intangible assets, may not be as attractive to those looking to purchase the assets. It's true that beauty is in the eye of the beholder and a similar notion is true regarding funeral home value. You might think what you have is gorgeous but to someone else, as Borat so eloquently said "not so much."

As we are all aware, many independent and family owned funeral homes have a negative view of corporate and privately held large funeral service operators. In fact, there are organizations that exclude membership from “corporates” which deepens the gulf of divide fueling an unhealthy animosity. What good does such split of intellect do for the profession? Interestingly, I am aware of one such organization that later sold to a national funeral home chain.

As a Southerner, I get how fierce we are about our beliefs. Just look at our public display during college football. Would a graduate and lifelong Clemson Tiger donate big dollars to University of South Carolina Athletics. The best I can guess is that such a person would be viewed in South Carolina as a “closet ‘Cock.” I’m just sayin such actions are truly distasteful in our world.

Like it or not, family firms are becoming Wall Street owned businesses. What’s peculiar is that the same die hard yellow dog independent fifth generation funeral home owner morphs without a second thought when purchasing power becomes a consideration. Although

a family owned funeral home may have been serving “since Sherman burnt down the South,” when the dollars are collected from the sale, they are fleeing faster than the pole car taking off at the Coca-Cola 600 in Charlotte.

In the last few years, I have been witness to once highly regarded “family owned funeral home royalty” selling their businesses to “conglomerates and consolidators.” Let me take a moment to explain one reason for this phenomena. Let’s say you own a multi-location funeral service operation valued at \$20,000,000. Now, I’m not a really smart guy (though I am really good looking and can write some interesting stuff), but exactly who do you think has the capital (money) to buy such a firm? Ok, so suppose that number is way too high and unrealistic. What if a firm is worth \$7,000,000? The synopsis (summary) remains the same; it all comes down to money. When contemplating such a large transaction, a bank just doesn’t lend 100 percent of the financing like Bubba’s “no money down, buy here, pay here” fine automobile establishment in your home town. Incidentally, SBA (Small Business Administration) has a cap on how much they can

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loan which narrows the field in terms of where to find funds for buying a funeral home at increased value. Buyers need capital, a big balance sheet (the thing that shows how much you are worth) and the financial wherewithal to make it happen. Moving from selling to the “big boys,” what options are next? Since I enjoy using examples, perhaps it’s best to focus on the price of a 150 service call funeral home (BillyBobs Funeral Parlor) in a decent size town. The firm has a \$6,500 revenue per call average (not including cash advances) thus generating about \$975,000 on an annual basis. After subtracting cost of goods sold and operating overhead along with adding or subtracting other assets, the firm’s EBITDA is estimated at \$175,000.

In our business, many formulas exist for calculating multiples of earnings for purchase prices. I’ve seen it as low as 3 times and high as 9 times, so let’s assume for purposes of this example it is 6 times. A quick calculation of multiplying 6 x \$175,000, we can surmise the selling price is \$1,050,000. In our assumptions we stipulate “the big boys” have no interest in BillyBobs due to not “fitting into their purchase profile” (it don’t make enough money) and not geographically feasible for operational cohesiveness (they ain’t got nothing close enough to make sense buying).

Now who is left on the buyer’s side that will be beating a path to take place “sold” on the sign under the magnolia tree? The first may be a legacy BillyBob Jr. but unfortunately he isn’t interested in the business and made some bad decisions which resulting in he and with his 3rd wife, kids from 1st and 2nd marriage, including those the wives, being banned from the property.

Next in line may be the “right hand man” and trusty funeral director, Wally, who has never been paid overtime in 17 years of service, but is dedicated because his momma is supposedly a 3rd cousin to BillyBob thus making it a “family business.” Wally is great in the embalming room, never wrecked a car, people love him, loyal as a house dog, but spends more money at the Quick Stop than he deposits in his savings account. The natural progression of potential buyers may then become competitors or other firms within the geographic area. Once the local competitor gets wind that BillyBobs is for sale, then the gossip begins and pre-need transfer advertisements start showing up in the Daily Disappointment (local newspaper) obit

page. In the competitor’s eye, they can take some calls without having to spend a boatload of money. Perhaps the geographic firms have an “uneasy feeling” about your town since your high school has never made the state playoffs and the Chief of Police is “not their kinda guy.”

Among the final buyer potentials are random funeral directors with no management experience and no clue about what skills are necessary to run a funeral home let alone have the credit score or “pot to piss in.” What now if BillyBob has no potential buyers for his funeral home? Perhaps he just “sits on it a while longer” because the market is going to turn around. Unfortunately, the textile mills have all closed and the demographics are shifting in a manner not conducive to a robust future market (people are moving away, the ones still in town are “broke,” and cremation is as rampant as lightening bugs at dusk on a summer night). The demise of funeral homes like BillyBobs are on the horizon. My advice to funeral home owners? Let’s talk about the “lots of what’s.” What is your business worth? What do you want to do if the funeral home is sold? What is enough money to live off of for the rest of your life? Once again, my passion for our profession is revealed and I trust this article is received in the manner in which it was created; think about it.

Jeff Harbeson is the Director of Marketing for The Foresight Companies, a Phoenix-based business and management consulting firm specializing in Business Financing, Valuations, Mergers & Acquisitions, Strategic Business Analysis, Funeral Service Accounting, Market Research, Human Resource Management, Accounts Receivables Management, and Customer Surveys. Harbeson is a funeral home owner and former Batesville representative who has marketed his companies under the social media label of The Funeral Commander. He teams with Ryan Thogmartin to co-host a weekly video podcast called Funeral Nation. Jeff can be reached at jeff@theforesightcompanies.com or 602-274-6464. For more information on Jeff or The Foresight Companies visit www.theforesightcompanies.com and follow us on FaceBook, Twitter or LinkedIn.



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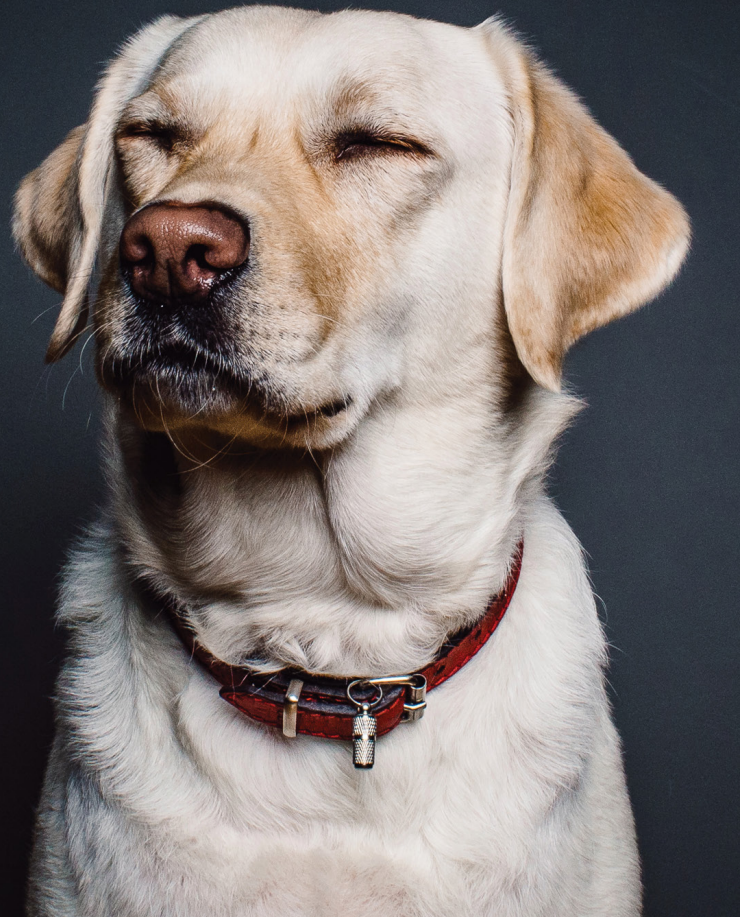


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Get The Dog Without The Fleas

7 Things To Consider Before Pursuing An Acquisition or Merger

BY: DEANNA DYDYSKI



The funeral industry, while it is incredibly unique in practice, the principals of business are no different than any other. In every industry, as businesses grow, they expand, acquire and merge. The funeral industry is no stranger to an acquisition or merger. Does the nation's largest funeral home operator, Service Corporation International (SCI) ring a bell or the Matthews-Aurora acquisition of 2015? Whether a business is attempting to grow or survive, the development of strategic alliances and consolidation is key.

Mergers and acquisitions can be great for business as they can: create diversification of products and service offerings, increase capacity, create a larger market share, eliminate competition or improve financing and cost efficiencies by conjoining operations. As business owners, you know all too well there can be risks with any major decision. Forbes's, Frank Vermeulen suggests that 70 percent of acquisitions and merger deals fail, whether due to clashes in culture, potential increases in debt or apprehension among employees during consolidation, there is no guarantee for success.

If you are debating on buying, selling or merging, there are several considerations you must take into account.

A good friend and acquisitions lawyer of mine told me, "when pursuing an acquisition or merger, you want to get the dog but you want to make sure you get the dog without the fleas." Meaning, if you are wanting to expand or join with a business you want to be sure you get the right one, as you do not want any unexpected surprises. A business effort such as a merger or acquisition is just that, an effort and before moving forward you will have to complete a series of due diligence and gather an extensive amount of information. After all would you really buy or sell anything without doing your research?

Let's begin with the basics, and clarify the difference between a merger and an acquisition. While they are often uttered in the same sentence, they have slight differentiating factors. An acquisition occurs when one company purchases the business of another entity and clearly establishes itself as the new owner. A merger, refers to a mutual consolidation of two or more businesses to form a new enterprise including the integration of operations, and the sharing of control and profits. Once you have a clear understanding of how acquisitions differentiate from mergers you can evaluate how either may affect your business.

While there is an almost insurmountable amount of time, effort and research that goes into such a great business deal, here are the 7 things you need to consider before pursuing an acquisition or merger:

1. Finances

This is an obvious one, investigating further into the company's financial history, metrics and targeted projections is crucial. You will want to gather financial records such as the company's annual, quarterly and monthly financial statements for the last three to five years, as this will give you a better understanding of the performance and financial condition. Additionally, information such as any aging accounts receivables, tax returns, depreciation schedules, debt payoffs or if the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) has been appropriately calculated. Let's be honest, money is what keeps a business going and whether you are looking to buy, sell, or merge, financial matters are going to be a top priority.

2. Customers

Understanding the company's current and targeted customer base will be key in order to maintain and recognize growth opportunities. If you are planning to acquire another business, keeping the prior company's customer base, and keeping them happy, should be a priority. As a potential buyer you will want to know the top customers, any specific terms created, customer backlog or if there will be any issues retaining customers following an acquisition. On the flip side if you are planning to sell, you will want to see that your customers fall into good hands. As any good business owner knows, a loyal customer base is important and if you are wanting to expand then you will make an effort to understand the ins and outs of your new potential clientele.

3. Employees and Management

You will have serious decisions to make based on the current employee base of the company you are planning to acquire or merge with. Gathering information on appropriate treatment of personal, employment and consulting agreements, incentive arrangements, bonus programs and compliance obligations will be points of focus when moving forward in a merge or acquisition. Aside from having happy customers, a happy staff is just as important, as your employees are the foundation of your business.

4. Litigation

Before making any significant investment you need a clear overview on litigation. Necessary legal documentation you will want to uncover may include any filed, pending or settled litigation, threatened claims, consent decrees, injunctions, attorneys letters, arbitration matters or any government proceedings against the company. As you are funeral directors and most likely not experts on law, having a lawyer who specializes in mergers and acquisitions will be your best asset. Merging, selling or acquiring requires an extensive amount of legal documentation and involvement so you should be sure to engross yourself in any legal proceedings as much as possible.

5. Property

If you are wanting to merge with or acquire another funeral home, you are going to need a legitimate outline of all physical, technological and intellectual properties and confirm appropriate steps have been taken to protect these. Intellectual properties may include confidentiality and invention agreements. Is

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the seller infringing on these rights or is a third party infringing on them? Does the funeral home you want to acquire have any copyrighted products or materials? What about crematory facilities, caskets, hearses, rental properties or additional real estate? If you are selling your business, the buyer is going to be extremely interested in the quality of your properties, so be prepared to encounter an extensive list of due diligence inquiries.

6. Competition

Knowing the competitive landscape for a business you are going to acquire or merge with is almost as important as knowing the business itself. Understanding the competitive environment a business operates in is crucial, as every marketplace is different. You would analyze another businesses' competition just the same as you would analyze your own competitive market. Uncovering the different service offerings, pricing structures, advantages, history and customer base are all key pieces of information you will want to gather about the potential businesses' competition.

7. Marketing

Determining how to integrate a new company into an existing infrastructure and make a brand transition smooth is a difficult task. While marketing and sales initiatives of another company may not be a top priority during the process of a merger or acquisition, this information will be key for future endeavors. Understanding the target company's marketing strategies and arrangements will help uncover branding and growth opportunities. Marketing includes sales, promotions, communications and public relations, ultimately making up a large part of any business. So why would you not want to have a foundation of the existing companies marketing information? Did the funeral home conduct a survey and have valuable marketing information for the target area demographic? Do you have a list of all the stakeholders and a plan to properly communicate the transition? What about sales representatives, marketing literature, GPL's and catalogs? These are all materials that will need to be gathered and assessed before moving forward with an acquisition or merger.

While these are just a few of the necessary elements of due diligence in moving forward with an acquisition or merger, ultimately, you are going to need a qualified team to assist you in getting "the dog without the fleas."

Deanna Dydynski serves as Marketing & Public Relations Manager for Express Funeral Funding, the FASTEST. EASIEST.,® funeral funding company in the industry. Dydynski has been developing marketing strategies and public relations initiatives within the funeral industry for



over two years. As a Bachelor of Science from Towson University, she mastered knowledge in marketing and mass communications. Prior to entering the funeral industry, Dydynski developed her skills with respected marketing and public relations roles at the Oklahoma City Zoo in Oklahoma City, OK and Patrick Ellis, DO, Psychiatry & Nutritional Medicine in Norman, OK, providing her invaluable skill set for Express Funeral Funding, which today has become the largest, privately held funding insurance assignment company in the industry. Contact Info: Deanna Dydynski, deanna.dydynski@expff.com, 410.599.5560.

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Private Buyers as an Alternative

By: Jeff Boutwell, NewBridge Group

While public companies like SCI and Carriage continue to make large acquisitions and expand their national footprint, a growing handful of private companies have begun to provide an alternative succession plan for retiring owners.

These private buyers, which typically own between 5 and 30 locations, are finding ways to pay prices similar to or greater than those paid by public companies for businesses. At the same time they are able to retain many of the small company personal values that are so appealing to many multi-generation owners who are close to retirement. There is nothing inherently wrong with public companies owning funeral homes, and, in fact, some selling owners may prefer that. But there are alternatives for owners who feel service to families after the sale is as important as the price that they receive in the sale. And fortunately, in the past few years, these private buyers are becoming more prevalent in the market.

Rollings Funeral Service, Inc

One example of this type of private buyer is Rollings Funeral Service, Inc – owned and operated by Greg and Debbie Rollings, both career funeral directors. Since establishing their company about 15 years ago they have acquired more than 25 funeral homes mainly in the Southeastern United States.

Greg and Debbie founded their company with the understanding that many owners approaching retirement would prefer to stay family-operated rather than becoming part of one of the large public companies

or venture capital backed acquisition firms. Greg commented, “One of the concerns that some owners have is that their business may be worth more than an individual can afford to pay, so they believe that the only alternative is to sell to one of the public or venture capital backed companies. We’re proud that we can provide a well-funded alternative to these owners. We’ve actually found, in some cases, that we’re willing to pay a little more than the public and venture capital backed companies.”



Greg and Debbie Rollings

Greg has found that many former owners really appreciate the back office administrative help that his company provides. “We know that many owners look at selling because they’re simply tired of all the headaches of running a business. Challenges such as finding good employees, handling the increasing cremations, and growing legal and accounting responsibilities take the enjoyment out of being in the business.

To counter this, we’ve created a system where we do all that work for them”, said Rollings. He added, “We believe we can provide just as much support to the location manager as the public companies, but without all the non-personal negatives of being part of a huge public company”.

With just over 25 locations and about \$20 million in revenue, Rollings feels his business is still just a small family business. “We’re at a size where we can get respect from vendors and banks, but we keep the company culture small enough to remember that we serve one family at a time”.

Greg and Debbie Rollings, founders of Rollings Funeral Service, Inc, are both licensed funeral directors and operate one of the largest private funeral home groups in the Southeast United States. Greg is a former Vice President of the Loewen Group and says that his time spent operating publicly owned funeral homes lead him to start a private company that could make decisions based on family needs rather than expectations of the stock market.

Pinnacle Funeral Service, LLC

Paul Haarer, CEO of Pinnacle Funeral Service, another leading privately owned funeral home company, says that his businesses focus on providing services to families that meet their personal preferences. According to Paul, “We’ve seen study after study that show families prefer more modern facilities, including high ceilings, natural light and a calming color palette. We’ve also seen that prices do matter to families and we do our best to keep that in mind as we set our service offerings.”

When Pinnacle purchases a business, Paul typically sets both a short-term and long-term strategy and remarks “Success in the funeral business is a marathon, not a 100-yard dash”. His approach is in stark contrast to venture backed companies, who often look to acquire businesses solely for the purpose of selling the group in the future to a larger buyer, most often a public company. Paul is extremely progressive in how he looks at the industry and markets and has even built three new funeral homes in large markets which is unusual in today’s environment. His main focus, however, is acquisitions, having purchased 12 locations in the last few years. Pinnacle is actively looking at acquisitions in the Midwestern United States but is open to many other areas.

Paul Haarer, CEO of Pinnacle Funeral Service (www.PinnacleFunerals.com), has over 20 years of experience in the funeral industry. He started in the acquisition department of The Loewen Group and got involved in operations as a founding member of

both Meridian Mortuary Group, and most recently Foundation Partners, both venture backed entities. Paul enjoys the fact that he now has a private company, not associated with either venture capital or the public market, which allows him to grow at a pace that works for him and provides the opportunity to implement market specific ideas, not a one size fits all mentality.



Paul Haarer

Other Private Buyers

In addition to Rollings and Pinnacle, several other privately owned companies are actively pursuing growth through acquisition. John Yopp, publisher of Southern Funeral Director magazine, has recently started a company to pursue funeral home acquisitions, as well. He currently owns three locations and plans to grow that number to at least seven by end of 2017. Another private buyer, Phil Pietras, has acquired five locations in central Connecticut and is looking to

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expand. NewBridge Group, one of the most active funeral home succession planning and financial consulting firms in the industry, is thrilled to have private buyers in the market because it gives owners alternatives to selling their business to the bigger financially driven buyers. NewBridge recommends doing due diligence when exploring a sale to a private buyer. First, you need to confirm the buyer has access to capital. NewBridge prequalifies private buyers by confirming their ability to obtain funds to complete the purchase, and where needed, NewBridge will also assist the buyer with financing. Companies that already own multiple locations will typically have strong financial relationships, but new potential buyers need to be vetted initially on their ability to fund the purchase.

Second, if you're considering a private buyer because you prefer their operating style, then it makes sense to confirm they're going to operate the business the way they say they will. We'd recommend calling some of the private buyer's locations to ask how life is after the sale. Don't be afraid to ask difficult questions.

Types of Firms that could be a good fit for a Private Buyer

Privately owned companies will generally buy businesses that are smaller than what the public companies prefer. Service Corporation and Carriage Services prefer businesses with at least \$2,000,000 annual revenue per building. Private groups are usually interested in buying smaller businesses, often as low as revenues of \$1 million annually. However, depending on the situation many private buyers will be interested in even smaller businesses. Rollings stated his company is happy to talk to owners of almost any size business, particularly in the Southeastern United States. Paul Haarer of Pinnacle said he is more interested in the size of the market than the size of the business. He added "We work to try to grow any business we own. As long as the market is large enough, I think we'd be open to any size business".

Relationships with Former Owners

Greg is proud to say his former owners are some of the happiest sellers that he's seen in his 30 years of doing acquisitions. "I've worked for public companies and venture capital backed companies in the past, and the challenge for those companies is they have quarterly financial goals that they need to meet. In

funeral service, you may sometimes have a slow year, and I felt like the large financial companies don't have as much patience as a private owner. They tend to overreact by seeking short-term solutions like raising prices, reducing service, or cutting other costs. They tend to do the exact opposite of what an individual owner would do in that situation. We pride ourselves in being able to think like an individual owner and doing what's right for the business for the long-term". Paul added similar thoughts by stating "The most important title we have at Pinnacle is that of "former owner". When someone sells their family business to me, we take the responsibility to heart and make sure that we are always making good decisions for the business and the community so that the former owners can remain proud of their association with us".

Changes that take Place "After A Sale"

Owners who sell to public companies may experience changes in software, health care, employee scheduling, training, new procedures and forms, etc. One of the key advantages of selling to a private company instead of a public or venture company is that private companies typically allow you to keep many of your current systems and traditions in place. Rollings added that when he was with other companies there were more changes taking place than were necessary. So when he started his company, he focused almost entirely upon removing administrative duties from the business he buys so everyone in house can focus on serving families while minimizing other changes. "I've found that many owners tell me they are selling because ownership is too stressful, and then they actually end up enjoying funeral service even more after I take over the business and administrative responsibilities". He continued, "Most people get into the funeral service because they have a servant's heart, not so they can think like an accountant or attorney. So when we take those concerns from them, they can get back to all the reasons they're in funeral service to begin with."

Pinnacle Funeral Service has become known for investing in capital improvements after purchasing a business. Paul stated "We like to do some kind of visual improvement to get the relationship off to a great start, so we'll talk to the former owner and try to come up with ideas for improving the facilities. Whether we paint, carpet, or seal the parking lot, we like to do some kind of improvement so the community and employees see that the new owners really care about the

business and its service.” In his most recent Wisconsin purchases, Paul commented, “The staff was excellent but, having been owned by a public company in the past, the facilities were tired. We spent several hundred thousand in updates and also built a new facility. This produced a lot of excitement among our employees and translated into better service for families.”

Looking Forward to Growth

Both Pinnacle and Rollings plan to continue their expansion through acquisitions in the next year. Pinnacle Funeral Service, LLC has recently secured a larger credit facility and now plans to accelerate its pace of acquisitions. Paul stated “We want to grow because it allows us to have greater negotiating leverage with suppliers and realize other economies of scale”. He added, “I feel like we provide a very appealing alternative to retiring owners in that we can retain the heritage and high service levels of family operations while continuing to grow the businesses.” Rollings says he also plans to do more acquisitions over the next few years. “We’ve spent several years growing through friends retiring and selling to us, and we’ve used those years to build a strong operating system that produces a win-win situation for the

owners and the families that the businesses serve. Jeff Boutwell says “As a broker and lender for more than 20 years, I’m really happy that there are private buyers in the market today. When we at NewBridge Group represent an owner we want to give him options and having well-funded private companies available can make the decision so much easier for many retiring owners”.

Jeff Boutwell, President of NewBridge Group (www.newbridgegroup.com) has been assisting owners with their succession plans for more than 20 years. NewBridge Group is one of the most active funeral industry consultants, having assisted more than 500 funeral homes in exploring a sale of their business. When assisting owners, NewBridge focuses on three major goals: Obtaining the highest sale price possible, structuring for the lowest tax effect possible, and matching the business with the best new operator possible.



Jeff Boutwell

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7 Financial Considerations When Deciding to Merge or Acquire a Funeral Practice

By: by Tim Bridgers, Live Oak Bank

In the 1970s, nearly 100 percent of funeral homes were privately owned. Today, that number has dropped to 85 percent. The funeral home industry is evolving, changing the way owners decide to merge or acquire new businesses. A new generation of consumers coupled with rising cremation rates is impacting the way funeral homes are run and the way financial decisions are made. It's important to take these factors into account when considering a potential new acquisition.

This trend is likely to continue as a majority of current funeral home owners approach retirement age. Demographic shifts in ownership create an opportunity for the next generation to become owners. It also creates a market for current owners looking to expand their businesses through an acquisition. The key to getting started is by first analyzing your business's cash flow.

1. A new generation of consumers

For generations, funeral directors have ensured success by following the business practices established by their predecessors, such as meeting families at the door and integrating themselves into the community. While this is imperative to business success, the millennial generation of consumers is far more demanding – they are more concerned with the amount of money they will spend compared to the value they will receive – an issue that is contributing to the rising cremation rate. For a funeral director who has the desire to expand, acquiring new funeral homes may enable the owner to bring a fresh perspective to the business and truly

understand the consumer and the community. The more successful funeral homes are being creative and finding ways to add value for families by diversifying their product mix, such as including a chapel or reception center to their services, in order to meet the demands of consumers.

Millennial consumers are looking to carry their dollars as far as possible while still receiving a memorable experience. As such, funeral homes have to adapt to understand the millennial buying behavior and adjust their business model accordingly.

2. A rising cremation rate

As the industry continues to trend toward an increasing cremation rate, there is a greater need for education at the consumer level. With the current shifts in buying behavior and millennials' priorities, funeral directors should be explicit when communicating the various memorialization options for families pursuing cremation. For example, highlighting the different offerings, such as a chapel service or reception center, could help educate millennials on the personal, value-add options available to them. Educating consumers through the shifting funeral home industry allows funeral directors to adapt to the consumer and the business trends.

When considering whether to buy or not buy a funeral home practice, take a look at the trend in revenue compared to the volume of business. Understanding that the cremation rate is continuing to increase,

consider how business may look 12 months down the road and further. How will these current trends translate into the future? Ultimately, making a buying decision for a new funeral home comes down to whether or not the business can support debt if the cremation rate continues to rise.

3. A community to call home

Funeral directors considering an acquisition may look to expand in the towns surrounding their current location. As such, they should be mindful of the demographics in their desired community. When looking for a new location, keep in mind that each community has its own characteristics and ideals. A funeral home in one town may provide different quality, services and price points than a funeral home in a neighboring town due to dissimilar demographics. Allow each community to have an experience with an independent funeral home. This way, a funeral home can be part of an individual community and the people who belong to it.

4. A look at the financials

In addition to educating consumers on the portfolio of options, funeral directors need to increase their own awareness of the financing options available to them as well as the financials of their own businesses. Not long ago, funeral homes were able to maintain the same model as the generations before them, focusing less on business margins as long as expenses were paid in full. However, this has changed.

Today, funeral directors must pay more attention to the financial aspects of owning a funeral home, such as efficiency of expenses and pricing structures. If an owner is aware of the financial considerations associated with running his or her funeral business and stays up-to-date on the trends in the funeral home industry, he or she has the background knowledge needed to consider merging the business or acquiring a new one to stay ahead of the industry.

For many funeral home owners, deciding to sell their businesses is a major life event. Historically, the lack of financing made transactions difficult to complete. Many lenders do not understand the intricacies of the funeral space; therefore, the structure of the deal may not benefit both the buyer and seller.

For example, a conventional lender will lend on the real estate value, often excluding goodwill. If the funeral

home is worth \$2 million total with the real estate value as \$1 million, a conventional lender will lend around 80 percent of the real estate value or \$800,000. In most cases, the buyer cannot make up the difference, so the seller must hold \$1.2 million.

However, when working with a cash flow lender, the goodwill and intangible assets of the business are taken into consideration, and the transaction is attainable. Lenders who understand the unique aspects of a funeral home business will be able to structure the loan to best benefit both parties. For example, the loan terms may improve if the crematory is classified as real estate rather than equipment. Small changes in the structure can greatly affect the outcome.

5. A cash flow perspective

Many factors will affect the strength and success of your funeral home, including the financial decisions you make for your business. In its simplest definition, cash flow is the difference between revenues (or sales) and expenses that a business incurs in any given period. If there is more cash coming in from revenues than going out from expenses, the cash flow is positive. Conversely, if expenses are higher than revenues, the cash flow is negative.

Net income and cash flow are often thought of as the same. However, net income often includes 'non-cash' expenses such as depreciation and amortization. To calculate your net cash flow, take the net income from your profit and loss statement and add back any depreciation and amortization.

Taking a close look at cash flow can make all the difference in the decision to merge or acquire a new business. It's important to have a cash flow analysis completed early in the decision-making process to set expectations, even before any business evaluations are made.

6. A business plan that works

As an owner is preparing to purchase a funeral home business, drafting a business plan can help frame the business for success. It guides the decision-making process as well as day-to-day operations. After making the decision to buy, the business plan becomes the foundation for the lender, business partners and key employees. Be clear and thorough when writing a business plan and make an accurate and professional

representation of your capabilities and objectives. The outline for the business plan should include:

- **Executive summary** to introduce the owner and the business venture along with a clearly defined mission statement and financing requirements
- **Business description** to detail the proposed structure of the business and the organizational structure for managing the funeral home
- **Market research** to ensure the local market for the funeral home has the appropriate demographics and income to support the new business, as well as to analyze the local competition and evaluate competitive advantage
- **Marketing plan** to describe the marketing activities to generate visibility for the funeral home and ongoing business growth
- **Operations overview** to outline the day-to-day needs and functions of the funeral home
- **Financial forecast** to plan for income and cash flow projections, capital and operating expenses and project financing

Whether your objective is to run a small, profitable funeral home, or become a leading funeral home in your region, the only way to ultimately control the outcome of your business goals is to plan for it. Set realistic goals quarterly that will help you reach your ultimate goal.

7. A bank to help you grow

At Live Oak Bank, our goal is to partner with you to make your dreams of ownership a reality. We look at the character of the owner along with the entire story behind the person with credit and the entire story behind the business to lead you through the entire process. Live Oak will walk hand-in-hand with you from the early stages of mergers and acquisitions, starting with a cash flow analysis, to conducting a business appraisal and walking you through purchasing decisions.

If you have plans to acquire a funeral home, take a look at Live Oak Bank's online resources at www.liveoakbank.com/funeral. Please do not hesitate to contact the Live Oak team with any questions.

Tim Bridgers joined Live Oak Bank in 2014 with more than 10 years of valuable business and entrepreneurial experience. Tim studied mechanical engineering at the University of North Carolina at Charlotte, business at the University of North Carolina at Wilmington and completed his finance degree at Liberty University. This diverse education prepared Bridgers for success in sales, marketing and management. Tim is a former business owner and developer of two successful companies, and he understands the challenges business owners face. He is dedicated to assisting small business owners in the funeral industry become and remain successful with Live Oak Bank's products and services.



INDUSTRY NEWS

Live Oak Trust Adds Mark Hall as Senior Vice President

Live Oak Bancshares, Inc. ("Live Oak") (Nasdaq: LOB) continues its leadership in trust services for funeral home and cemetery clients with the hire of Mark A. Hall. As Senior Vice President and Director of Trust Relationship Management for Live Oak Trust, Hall will provide administrative, operational, investment and consultative services to funeral and cemetery trust customers.

Hall joins Live Oak Bank after 22 years with SunTrust Bank in the financial services industry, most recently spending more than six years as head of funeral and cemetery trust services at the bank.

"Mark is a great addition to our Trust team as he understands the complexities of funeral and cemetery trusts," said Steve Jackson, CEO, Live Oak Bank Trust Services. "His insights and experience ensure our funeral home and cemetery trust customers the best access, options and service for their accounts."



LIVE OAK BANK®



FUNERAL HOME

Buyer's Guide



Funeral Home Acquisition Case Study

SYNOPSIS

The borrower is looking to purchase a funeral home business, which includes real estate for two locations representing a total average call volume of 360 calls. The total purchase price is \$1,625,000 with the largest allocation being real estate at \$1,000,000. Live Oak Bank is able to provide financing for the purchase of the business assets, real estate, working capital, and loan closing/soft costs to fully fund the project.

LOAN TERMS

	Loan Amount	Loan Term	Loan Rate	Loan Payment
Live Oak Bank Loan	\$1,640,000	25 years	5.50%	\$10,086.75/month
Seller Carry	\$162,500	15 years	5.50%	\$1,478.11/month
Borrower Equity	\$10,000			

SELLER CARRY DETAIL

The potential benefits to the seller for holding this note are a possible reduction in capital gains tax and the interest accrued on the note. This interest income is in addition to the purchase price. This seller note also substitutes any required equity injection that the bank may request. In this loan, Live Oak requested that the borrower provide 10% equity at closing. The borrower did not have access to this 10% equity request; therefore, the seller carry satisfied this requirement. Seller carry notes often make acquisitions such as these possible.

USE OF PROCEEDS

Use of Proceeds	Borrower	Seller	Live Oak Bank	Total
Real Estate	\$0	\$0	\$1,000,000	\$1,000,000
Business Acquisition	\$10,000	\$162,500	\$302,500	\$475,000
Furn., Fixture, Equip	\$0	\$0	\$150,000	\$150,000
Working Capital	\$0	\$0	\$92,808	\$92,808
Soft Costs	\$0	\$0	\$94,692	\$94,692
Total	\$10,000	\$162,500	\$1,640,000	\$1,812,500

Contact Us Today!

Tim Bridgers
General Manager
tim.bridgers@liveoakbank.com
910.685.7446

Sarah Andrews
Loan Officer
sarah.andrews@liveoakbank.com
910.550.2303

Meghan Cowan
Loan Officer
meghan.cowan@liveoakbank.com
910.550.2293

Nick Padlo
Loan Officer
nick.padlo@liveoakbank.com
910.363.274





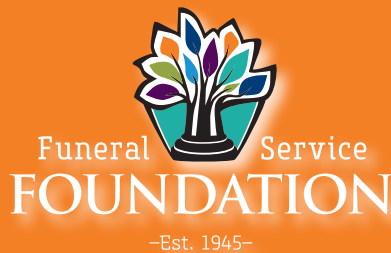
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Media Publicity

Dealing with the Media - Press Conference

By: Todd Van Beck, Director of Continuing Education, John A. Gupton College, Nashville, TN

The press conference! Do not visions of the White House press room, the National Press conference luncheons, even the announcements from professional sports figures, and celebrities, don't visions of power, influence, and self importance fill the room, and the media when these media events take place?

Poor Tiger Wood had to have press conferences and explain, apologize, explain and then apologize some more, and then repeat this cycle time and again. Poor old Bill Clinton – well that is a story we are know about – “I did not have”. Poor old Richard Nixon, in fact many time poor old anybody who gets caught in a press conference. What a media psychology goes on here, HUH? I always thought, watching press conferences from a distance that they were sexy, entertaining, and above all an extremely vulnerable position for any human being to find themselves in. This stuff is indeed high risk media activity for people, anybody no matter who they are.

The media appears to thrive on press conferences and the ambush is always a possibility. Helen Thomas became a legend in her own time, due primarily to questions she asked during presidential press conferences. In fact press conferences have been so historically attractive and powerful that even old dead President Calvin Coolidge made national headlines when he, by using little pieces of paper which he had typed a message on and handed out at the press conference which announced to a stunned America, “I do not choose to run in 1928.” True to his nickname “Silent Cal” the President said nothing more than a typed message on little slips of paper comprised of seven plus words but wow what a bombshell Coolidge dropped at that press conference. The media was in a frenzy, which appears to be an essential part of their job and this happened in 1928!.

Press conferences are commanding, they look really important, and sometime even are, they are often times highly dramatic, they can be high tension, and they can also be completes duds, and humiliate the participants.

I have been involved with several “press conferences” in my career concerning funeral service, if they could have been called press conferences. In fact looking back I am hesitant to put into writing what those several experiences were in reality. Before that confession however let's take a look at some thoughts concerning the dos and don'ts of the ever possible press conference.

Press conferences should be called only to make major announcements that need clarification or may provoke many questions. If they are called too frequently their significance and importance will diminish over time. This is the reason that people tire so easily of the non-stop repetition of video tape and replays of press conferences. How many times is it necessary or even desirable to play and replay a press conference where somebody is upset about how much salary they are going to make during the next season?

Press conferences also require and most often demand that top officers and really important staff representatives should be the focal point. It appears that most often the White House has figured this out. For while the President's press secretary can easily field the humdrum questions of the media day to day, when the health care bill passed and the press conference was held to be sure the President of the United States was front and center, however this is not the world of funeral service, also we all know that there have been not a few Presidents that should never ever been put in charge of a press conference, I will let your imaginations take off on that one.

On the sidelines should be supporting people in the role of public relations specialists who can provide expert knowledge in site selections, inviting and following-up

with the media, staging, preparing statements and even preparing answers to expected questions. This seems important, although even the “experts” get fooled and end up in tight spots at times. Here is an example:

Remember General Alexander Haig when President Reagan was shot? The old General, who by all accounts was a stellar human being died recently, but what people, even his obituary remembered was his announcement in a press conference to the American people following Reagan’s shooting when he said “I’m in charge.” General Haig had the brains of the brains of the White House public relations standing people right next to him, and out it came, and the “I’m in charge” remark haunted this man, who contributed so much in so many ways to the betterment of his country, literally to his grave and now beyond.

Be careful of press conferences. The clicking, snapping shutters of cameras might be attractive, the television lights might be starry, the rapid fire questions from the media people might show the world just how much we know, but to be sure this is high risk media behavior, be careful, take control, and retain the courage to say no to the opportunity if you feel it wise.

Poor old General Haig appeared to the media and hence the entire nation to have totally missed several key sections of the United States Constitution concerning a minor point of who is actually in charge when the President is incapacitated and the media was in the end somewhat sympathetic at this death, but still not totally unforgiving or forgetting.

I remember a press conference that I watched from the audience during a convention with a funeral service company. It was a press conference panel discussion with the high ranking executives of a funeral company exclusively. This company was at the time flying high as a kite. It appeared that nothing they did was wrong, money was coming in hand over fist, Wall Street was having a love affair with this organization and during this convention a press conference was called to present the future vision of the company, which was basically the theme of forward we go and nothing, absolutely nothing can stop us.

Fortunately for me I was sitting in the audience. In good time the funeral company top ranking officers arrived and they were all wearing black sunglasses. No

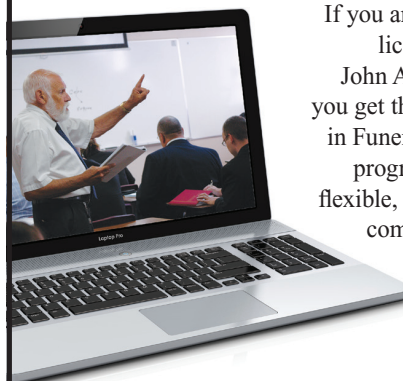
one could see their eyes. Quickly the company vision was shared by the top brass and the questions from the media came fast and furious. The answers were at the time honest and correct, but clearly the black sun glasses started to annoy people, not the least being the members of the media. The media people started looking at each other and mouthing this question “What gives with the sun glasses?” There was not much flash photography, but it the conference was being taped.

After the press conference the company top brass spent time in the nearest bar congratulating each other on a job well done. I shared in the jubilation and celebration.

Five years later the company was bankrupt, the dream had collapsed, people were suing and getting sued, retirement funds flew out the window, positions were eliminated, feeling and reputations were damaged and it was a time – well it was not a good time.

However do you know what the media remembered vividly concerning this funeral company when the bankruptcy was announced? It was the sun glasses at the press conference. Suddenly the sun glass image was aired everywhere, and while five years earlier the sun glasses were the source of curiosity by the media now

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that the company had totally collapsed the sun glasses turned into a symbol of arrogance and smugness on the part of the leaders. It was not good and caused many people much embarrassment.

So it is with press conferences. The media can change directions in a heartbeat. They can be friend or foe within seconds.

So here are some, I hope valuable, considerations in tackling press conferences.

- Everybody involved should be briefed about everything that can happen. Create the worst scenarios possible, even if they don't come up. Remember not everybody in the media likes funeral directors, and some of them are anti-funeral disciples and come loaded for bear. Know who will attend and you can better anticipate the mood of the press conference. Try to develop questions that might be asked whether they will be or not.
- From the outset establish the format of the press conference. Decide who will speak, and just don't let the President or Chancellor or Archduke of the organization be the spokesperson (remember who it was who wore the sun glasses – it was not the worker bees), find the best high ranking official for the task. Always allow time for questions and answers. I have discovered that nothing irritates the press more than be muzzled when it comes time for questions and answers. Many United States Presidents have learned that lesson the hard way with disastrous consequences.
- Open with a prepared statement, and this statement should be brief and to the point. A press conference is not a platform for a lengthy speech. In funeral service press conferences I have found this suggestion one of the essentials, for one good reason: it is too easy to get off task when funeral directors talk about funerals, because there is so much to talk about. Keep the points to a minimum, make them crisp, and don't elaborate. Remember even the media will not know what you haven't told them..
- Don't allow one questioner or reporter from one medium to dominate the press conference. Reporters and media people want time, this is how

they make their living, and hence I have found they resent the fact that speakers will often times pay more attention to this or that media person. I watched a funeral director being interviewed during an important press conference concerning the Federal Trade Commission, one of the reporters was his daughter-in-law. Take a guess who got the "scoop?" Try to entertain questions from all segments of the media spectrum that might be present. Even the one's you might not like.

- Answer one question at a time, be thorough and concise. If you cannot answer certain questions, tell the reporters you will provide the information as soon as possible. I believe this is important and just good professional courtesy. Remember to respect their deadlines. Reporters live by deadlines, and they get rewarded in their profession for meeting all deadlines – just like you and I making sure we make the obituary deadlines. You also have the absolute right to say that you cannot comment on a particular matter if that is truly so. We all have seen and some of us have suffered the consequences for "letting the cat out of the bag".
- Take control of the press conference. Some questions are just not appropriate. For instance in a high profile deaths or any death situations for that matter the type of embalming chemical used on the deceased person is not only not appropriate it is ridiculous. If some reporter persistently asks questions requiring very technical or off-the-subject answers that are clearly not in the preview of the press conference, or of interest to the rest of the media, offer to meet the reporter right after the conference to answer the questions more fully without violating confidentiality.
- Here is something that seems to not get much attention – have a definite procedure for closing the press conference. "I will answer two more questions," is one way to warn reporters that the formal conference is drawing to a close, and then be gentle but firm about ending.
- Finally thank everybody for attending and for their interest. It might also be wise to tell reporters that key people in the press conference will stay if they want more details, and possibly give out professional information about where the participants can be

reached. If this is contact information is deemed too risky to share simply thank the media for their attendance and call it a day, and hope for the best.

I mentioned earlier that I have been involved with several, not many, press conferences concerning funeral service.

Press conferences have taken on a life of their own, which seems to easily revolve around critical issues, monumental happenings, history changing events, stunning news, serious sobering international issues, national security and in other words topics that loom high on the human scale of critically important issues, whether they are in reality critical or not.

I am probably going to get into trouble for this, but I do not believe that funeral and cemetery work is in the minds of the public subject matter for high level critical press conferences. I did not see a press conference on the national and international media called about Burr Oaks, nor when the FTC became law, or the Tri-State Crematory debacle.

Certainly these subjects captivate our attention, and yes there is always a tendency in the printed word to create an atmosphere where it is easy to conclude that “just about everybody” is interested in the cremation rate, or the green burial movement, but I think this internal idea of the public interest in our line of work is overstated.

Funeral service and cemetery work just does not set off the bells and whistles off with media frenzy, which when the media frenzy happens almost always culminates in press conferences. Funeral service, cemetery work has press conferences to be sure, but I have never seen a program interrupted for breaking news concerning one. Here is an example.

In the press conferences that I have been involved with two really stick out in my memory.

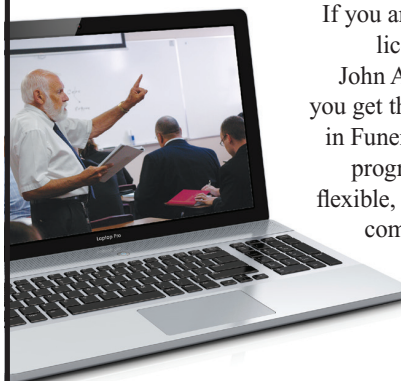
The first one was held in Detroit several years ago. We prepared, which was wise, we had public relations people which was good, and we thought the subject matter was important enough to attract the attention of the media. We rented a ballroom in a hotel, we also arranged for audio-visual equipment and four people sat at a large table on risers in the front of the

room. The subject we were to address had been in the press for some time and the media had asked for the press conference. Two reporters showed up, without cameras. The next day not one word was printed in the media and the press conference never saw the light of day (no doubt due to my participation). I was relieved. The press conference was a dud.

The other one I remember was concerning what we thought was a monumental subject in funeral service, and this time not one reporter showed up. It was yet another dud for Todd.

To be sure issues concerning our profession certainly loom high on our horizon’s as well they should and no mistake press conferences also are a looming possibility in our world, but I discovered for an effective press conference to take place the subject matter and the issues require much, much more drama and intrigue than is usually needed and called for in our small, gentle, quiet profession.

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Women in Funeral Service Spotlight: Patty “PowerHouse” Hutcheson

Southern Funeral Director is pleased to announce the return of the Women in Funeral Service series. Elli Morris will be interviewing women in the industry to give insight, entertainment, and appreciation for those who are making a real difference in their field. We hope you enjoy learning more about these incredible women. If you know a woman who deserves the spotlight, contact Elli at elli@ellimorris.com.

Women in the funeral service are courageous, caring, educated, giving, determined, competent, humorous, and inspiring. That’s been my personal experience, which, I’m delighted to say, continues to be a solid fact having just spent an hour speaking with the dynamic Patty Hutcheson, CFSP, the Executive Director of the Academy of Professional Funeral Service Practice.

“I don’t consider myself amazing!” protests the educator, teacher, college president, academy executive director, and owner of a funeral home and cremation services company. Hutcheson, like every good leader, sees herself as someone who is there to help others reach their potential. Because she “truly values excellence” she both represents the best of Women in the Funeral Service while dedicating her life to providing tools for working professionals and future funeral service directors to be their best, too.

Another important aspect of being a good leader? Humor certainly helps. When asked how long she’d been a Certified Funeral Service Practitioner, she laughs. “Well, I don’t know. Let me look me up!” Turns out she received it in 2003. When asked how she stays motivated to get so much accomplished, she’s quick to

respond “No sleep!” Given that she is the Executive Director of the APFSP, a Georgia Licensed Funeral Director and Embalmer, a Certified Funeral Service Practitioner, Treasurer for the Georgia Funeral Supply Sales Club Association (GFSSA), and Past-President of the American Board of



Funeral Service Education it’s easy to understand how she gets little sleep. As if that’s not enough, she casually notes, “to keep me involved I’m on the Buchanan City Council, a member of the Chamber of Commerce, and on the administrative council of the Buchanan United Methodist Church as a lay leader.” Being on the Chamber is relatively new for Hutcheson. After transitioning from President at Gupton-Jones College to work fulltime for the Academy, she began working from her home. By working in town she satisfied the criteria to be a local business, opening up the opportunity to be active on the Board, which she has done for the past 3 years. What are some of the biggest challenges Hutcheson faces being a leader, and specifically a female leader in the funeral industry? Let’s go over the path she took to get to where she is today, a path that shows how she’s combined her individual tenacity with her passion for funeral service to be in the forefront of the industry.

“My husband, Danny, and I started the funeral home in 1983. We were 24 years old. We were too dumb to think

we couldn't do it and too young to not want to try," she jokes. "For many, many years we struggled. We are in a town with 1000 people. There were colleagues around who'd been in the business for 70 yrs, for 30 yrs, and we were the new kids on the block." Hutcheson, who already had a Bachelor of English and was working on her master's, went to mortuary school. In the morning. In the evening, she went to EMT school. When she finished mortuary school, she taught high school English and ran ambulances in the evening. Neither she nor Danny, whom she'd married when they were 21, came up in the industry. Studying to be a Methodist minister, Danny worked for a funeral home in college, which is when he decided working in the industry was the right type of ministry for him rather than being behind a pulpit. "The first year in business, we served 8 families, one being my family, my grandmother died," Hutcheson recalls.

In the fall of '87, Hutcheson seized the opportunity to teach at Gupton-Jones. "That was the best of both worlds. I could teach and teach about funeral service." During her time at Gupton-Jones, from 1987 to 2014, Hutcheson taught restorative art, communications, psychology of funeral service, sociology of funeral service, "and even a couple quarters of embalming but I didn't like it!" In December 2000, she was appointed President of the College. One of the challenges as President was "going to a position of supervisor over people that were colleagues. It was one of hardest things for me. I don't know about for them, but it was for me." There were the added responsibilities of a budget, but also dealing with disciplinary actions for students. "That was dealing with them in a different aspect for me."

In October, 2013, Hutcheson became a part time employee of the Academy of Professional Funeral Service Practice. "I knew I was leaving Gupton-Jones and the Academy wanted to hire a full time executive director. I told them I could take it part time until I left in August of the next year. So I worked two jobs for 8 months." One of those jobs, President of Gupton-Jones, required her to be there during the day. "I drove 140 miles a day to work and back. I used to get up at 4:30." During the 8 months of two jobs, she would come home and begin her part-time job for the Academy, working until midnight. Then she'd get up at 4:30 the next day. "When I left - what a change, just in managing my time. I now walk across the hall!"

All the while, she's worked with her husband at their funeral home. "Especially on weekends. We grew. Now we serve 190 families a year. Probably by 2000 we were doing a 100, it'd gotten to that point. We added a crematory in 2008 and grew the business then. In July, 2014 we acquired a pet crematory. The business has had several growth spurts - like a person!" Now that we have an idea of how this powerhouse came to be, it's time to get personal.

SFD: Is breakfast a big part of your routine?

Hutcheson: We cook and eat every day. That's been one of my hard parts so I'm here and they expect me to cook! First thing in the morning I turn on the computer and check emails then we eat breakfast. It's hard for them to understand I'm working. They think I'm down here doing nothing but I can work lots of different hours. We have academy members who live in California so that's 3 hours different. I update every night between 10 and 11 so the members get emails at 11:00pm. It's great to have flexibility of hours. I'm the only one in the office and we have over 2400 active members. 1700 are CFSP so I stay busy!"

Are you driven by purpose, goals, responsibility, caring, and/or social interactions?

I want to be the best at what I do and I always want to do more. Some people would call me a perfectionist but I'm not. I just want to be the best at what I do. And I want to help others get there. I think that's a part of my enjoyment of the Academy is helping others realize their potential.

What do you do when you get burned out?

I read. Oh and I read all sorts of stuff! I enjoy nonfiction murder mysteries. Patricia Cornwell is one of my heroes. I pick up books at conventions. I just finished reading *The Secret, What Great Leaders Know and Do*, by Ken Blanchard.

You no longer have to drive to work but now you're working by yourself.

My social outing is going to the post office! And I go every day and sometimes twice a day based on my mail. It's interesting.

What advice do you have for young men on how to work with women in the funeral service?

First, don't assume the women are weaker physically or emotionally. I used to look at females in the business

and I'd think, 'you have to work twice as hard 'cause you have to prove you can do it.' Women have to prove it. And women who survive are the ones who work so hard at proving they can do it. They inspire me. I watch the struggles of the young women coming into the industry. They ask, "What shoes do you wear? Do you wear pants or skirts?" Men don't have to ask that. There are more women who go to school and more women than there used to be in the industry. It is harder for them to get positions in funeral homes so they may be working in the field but are they secretaries or licensed practitioners?

When do you make time for Patty?

I watch TV at night. I try to walk early in the morning with a friend. Danny and I walked at 4:30 in the morning when I was working at Gupton-Jones, probably not long, maybe 15 minutes but we'd get out and go. It was dark, so we had to take a flashlight. Now I go early then go exercise twice a week at a gym at night.

What the hardest part of being a leader?

Being firm without being called a female expletive. There in lies the issue with communication. When I write an email I write so I won't sound harsh and pushy but then again the meaning is in the reader and what they take away from it. Even when I was back in education, to be firm without coming across as domineering – we never call a man domineering do we, but we call women that. I always believe in servant leadership. I never ask anyone to do something I won't do myself. I'm not a good delegator! I generally do it myself. Sometimes it's easier to do it than explain how you want it done. Some people are so much better at that.

What are some of the new approaches that excite you?

With cremation the exciting thing is there are so many options to memorialize that loved one. The creativity that comes out of that, it can be done with burial options also but for many families cremation allows them to create a service so appropriate for the person. The ability to have it virtually anywhere. My greatest concern is that people think cremation is easier and that there is no reason to memorialize the person. There are people who want cremation and nothing else – no service, they don't want to have anything else, they don't even want to pick up the cremated remains. I'm very concerned with the disposable society. They

think people are disposable, too. It's too much of an inconvenience to come back and pick up maoma. I used to tell my students if this isn't the profession you really want, then go into psychology because soon we're going to have a society that's never dealt with death.

What's something you really enjoy in your current position as Executive Director of APFSP?

One of the benefits is the members write down what they do during the year, their professional and community service. To see it in writing encourages you that you are doing a lot and committed to succeeding and all those things women do but never get accolades for. Now with the Academy I get to see people committed to lifelong learning and to raise the standards, to distinguish themselves through their commitment to succeed. There is no doubt that one of the core values that makes Hutcheson such a true leader in the Funeral Service is her heartfelt desire to make things better. For that, we all benefit.

Patty S. Hutcheson, CFSP, holds a master's degree from the University of West Georgia, is a graduate of Gupton-Jones College of Funeral Service, and is a funeral director and embalmer in Georgia. She and her husband, Danny, own and operate Hutcheson's Memorial Chapel and Crematory in Buchanan, GA, and Hutcheson Family Pet Crematory in Carrollton, GA. Patty taught Restorative Art at Gupton-Jones College for 26 years as well as other courses including Funeral Service Psychology, and was president of the College from 2000 until she left the college in August of 2014. She currently serves as the Executive Director of The Academy of Professional Funeral Service Practice, an international organization that recognizes lifelong learning and awards the Certified Funeral Service Practitioner designation (CFSP) to those funeral directors who accumulate 180 hours of continuing education. The Academy also approves continuing education offerings for funeral directors. Patty was elected to the Buchanan City Council in 2011 and is completing her second term. She serves on the board of the Haralson County Chamber of Commerce and is the Lay Leader at Buchanan United Methodist Church. She and Danny have one daughter, Kathryn, who works at the family firm as a funeral director/embalmer, and one granddaughter, Kaylee Grace. You can contact Patty at www.apfsp.org or by calling 866.431.CFSP (2377).

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Professional Car Society to Hold 41st Annual International Meeting in Lebanon, Missouri, Wed. - Sat., July 19th - 22nd, 2017

Anyone able to appreciate the aesthetics and fine craftsmanship of classic, exquisitely-restored funeral vehicles, ambulances and livery-type limousines will want to be in **Lebanon, Missouri** from **July 19th-22nd, 2017 for the Professional Car Society's 41st Annual International Meet**, especially as this historic U.S. 66 Ozarks town and local mortician Kenneth Howe have successfully hosted this event twice previously in 1992 and 2001. This year's Hampton Inn (417-533-3100) headquarters hotel, located at 930 Ivey Lane off West Elm Street, will be offering a special \$95 nightly pre-tax room rate to callers mentioning the PCS International Meet, and attendees can also opt for the adjacent Holiday Inn Express (417-532-1111, \$95-up) and Super 8 Motel (417-588-2574, \$82-up). The closest major airports to Lebanon on the Interstate 44 corridor are Springfield-Branson (SGF) an hour southwest and St. Louis International (STL) 2.5 hours to the northeast, while Kansas City International (MCI) is another option 3.5 hours northwest and Greyhound offers direct bus service.

A downloadable registration form detailing the meet's itinerary and activity fees can be found on the official PCS website at www.TheProfessionalCarSociety.org, and Ken Howe is happy to field prospective attendee queries at (417) 594-4061 or kennethhowe1933@gmail.com. The first event scheduled is a 4 pm Wednesday welcome tour of his Holman-Howe Funeral Home, followed by an all day Thursday luxury bus trip to Branson's Silver Dollar City theme park and Dolly Parton's Dixie Stampede Theater and a 4 pm Friday "pro-car" procession to the Evergreen Historical Automobiles collection. PCS Lebanon's Main Event, nonetheless, will be the 10am-3pm Saturday Car Show inside the climate-controlled Kenneth E. Cowan Civic Center at 500 East Elm Street, as The Show Me State's auto enthusiasts may never get a better chance to admire the creations of such skilled hearse, ambulance and livery vehicle builders as Eureka, Flxible, Henney, Pinner, Siebert, Sayers & Scovill, Miller-Meteor, Cotner/Bevington, Armbruster/Stageway and Superior. All exhibit cars must have wheel chocks and fire extinguishers and be shown without coffins, cobwebs, skeletons or other



When the Professional Car Society stages its 41st Annual International Meet in Lebanon, Missouri from July 19th-22nd, 2017, attendees will be treated to a closer look at this A.J. Miller-bodied 1955 Cadillac Flower Car owned by meet host Ken Howe.

morbid distractions in deference to PCS Constitution provisions that do permit funeral vehicles with floral arrangements and authentic rescue gear inside ambulances and hearse-ambulance "combination" coaches (camper conversions retaining their original bodies can also participate but won't be judged).

Saturday evening's awards banquet at the Cowan Civic Center will conclude most-memorably at 8 pm with a Moving Lights and Siren Show to the I-44 Speedway, ensuring immediate anticipation for future PCS International Meets already scheduled for Detroit in 2018; South Dakota's Black Hills in 2019; the Upstate New York Adirondacks in 2020; and Ohio in 2021.

Though it's not required for Lebanon Meet registration, a PCS membership spanning six bi-monthly issues of the multi-award-winning magazine **THE PROFESSIONAL CAR** is worthwhile at \$40 in the U.S., Canada & Mexico and \$45 elsewhere. Longer 12-or-18-issue memberships, respectively costing at \$75/\$105 in the U.S., Canada & Mexico and \$82/\$112 elsewhere, are also available through www.TheProfessionalCarSociety.org or Membership Director Jeffrey Hookway at (973) 862-6047; hookjch@ptd.net; or 64 Mudcut Rd., Lafayette, N.J. 07848-4607.

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Homesteaders Life Company Board Approves Succession Plan, Stephen R. Lang to retire as CEO in March 2018

West Des Moines, IA – As part of a long-term strategically planned leadership transition, Homesteaders Life Company Chairman, President and CEO Stephen Lang announced today that he intends to retire in March 2018. He has proposed to the Board of Directors a succession plan that includes the appointment of Homesteaders' Chief Operating Officer, Stephen Shaffer, as the company's tenth President and CEO at the time of Lang's retirement.

The Board of Directors approved the succession plan during its May 2017 meeting, which includes Shaffer's increasing assumption of additional day-to-day management functions for the company. Lang will remain on the Board of Directors following his retirement as CEO, serving as Chairman through February 2019.

"Steve Shaffer has been a huge asset to Homesteaders since he joined the company in 2014," said Lang. "He's a well-known and influential executive in the funeral and cemetery business, whose experience and track record is a solid match with Homesteaders' longstanding commitment to customer success and promoting the value of funeral service."

Joining the company in 2008 as an Executive Vice President responsible for sales, marketing and customer service, Lang was later named Chief Operating Officer and ultimately President/CEO in February 2014. He joined the company as part of a long-term succession plan under then Chairman, President and CEO Graham J. Cook. Lang's mission was to guide and grow the company while building a team to provide long-term leadership for Homesteaders. "I am pleased to report that Homesteaders is stronger than ever, and we have an experienced leadership team ready to take Homesteaders to the next level," said Lang.

Shaffer co-founded and served as President and CEO of Foundation Partners Group, LLC. He led an organization created to combine the best aspects of conventional end-of-life care with new ideas and technology that enabled families to plan, prepare, acknowledge and share the purpose of a life. He was a co-founder and CFO of Keystone Group Holdings,



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Inc. between 1996 and 2010. Shaffer has served as a Funeral Service Foundation Trustee since 2010 and was the Foundation's 2014-15 Board Chair. He has been Homesteaders COO since 2014.



Stephen R. Lang

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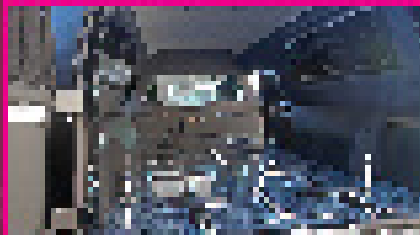
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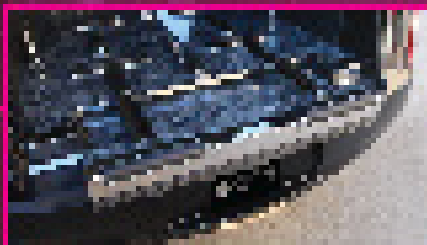
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