



Case Study

"THE PRICE OF DOING THE SAME OLD THING IS FAR HIGHER THAN THE PRICE OF CHANGE."

By Daniel J. Solecki

Background and Causation to Act

In the early 2000s, our organization began an exhaustive evaluation of our business as revenue pressures started to mount, margins continued to shrink, and third-party alternatives emerged. Rather than take traditional forms of action, such as haggling with suppliers or raising prices to maintain margins, we set out to find a creative solution to our complicated problem, and we looked first to the consumer for answers.

Not surprisingly, all data from market studies, focus groups, and communication with families indicated a lack of perceived value in the traditional service delivery model deployed by our profession. Many families expressed that they were satisfied with the basic services we were providing, but didn't see much value beyond that. Hitting on expectations was no longer enough. Families felt that we ran decent funerals, but it was all functional processes that were predictable, rote services with little to no differentiation amongst local competition.

One cause for this preference change was the emergence of the baby boomer generation directly making decisions, or, at a minimum, significantly influencing decisions that were being made around end-of-life services. Baby Boomers were disrupting the traditional funeral service delivery model because they did not see significant value in it, nor did it comport with the way they were used to buying services. They had an appetite for personalized services and were experiencing significant customer sacrifice in our traditional, functionally based, service delivery model.

“We experienced growth in almost every metric we tracked. Transforming from a service-provider to an experience stager has had a direct impact on the success of our business for almost 20 years now.”

Strategy: The Rise to Experiences

It was around this time we began discussions with licensed funeral directors, Jim Cummings and Gerry Givnish, who were peers in the profession. Aware of our quest for transformation, they approached our executive team with their Life Celebration Experience Model. They had become disciples of both the book *The Experience Economy* and the authors, Joe Pine and Jim Gilmore. Cummings and Givnish had been studiously working directly with the authors and developed specific tactics, frameworks, and methodologies specifically codified for funeral service.

We began implementing the Life Celebration Experience Model into each of our funeral home locations. Through the instruction of the Life Celebration curriculum, we transformed every single process we had in place. We adopted these new processes and followed the prescribed action plan at each touch point with our families. We learned to expertly stage funeral experiences and to order the customized props that would enhance everything we were doing. Our families were more engaged and more satisfied than ever before and these attitudes permeated to the bottom line.

Families were beginning to spend more time with us, revealing the value they saw in what we were now providing. Families were now selecting services and merchandise for a different reason, focusing more on their loved one's personality rather than the materiality of the products. Their positive experience encouraged and influenced their buying habits to reflect only and exactly what they truly wanted for their loved one. Through this transformation with the Life Celebration Experience Model, we efficiently taught our community how to grieve and heal, and they happily paid a premium for the memorable experience we provided them.

TWO DECADES LATER: OPERATING RESULTS AFTER IMPLEMENTATION OF LIFE CELEBRATION, INC. EXPERIENCE MODEL

Market Share and Revenue Bottom Line: Life Celebration is the only business solution for improving market share and growing revenue and bottom line profits that I have seen in my 20 years' experience as the Chief Operating officer of a regional Funeral Service Provider. Life Celebration allows our Directors, through a co-creative process with our families, to hit on what families truly desire, reducing customer sacrifice and improving value. The results below are based on data collected over a 12 month period after completion and implementation of the Life Celebration Program.

(Note: Results are Price Increase Neutral)

Burial Highlights

- 8.8% Increase in Service Revenue
- 20.3% Increase in Casket Revenue
- 18.7% Increase in Customer Satisfaction

Value Shift - Caskets

| Retail | Variance |
|-------------------|----------|
| over \$4,000 | 10.6% |
| \$3,500 - \$3,999 | 4.5% |
| \$3,000 - \$3,499 | 2.1% |
| \$2,500 - \$2,999 | (2.0%) |
| \$2,000 - \$2,499 | 4.4% |
| under \$2,000 | (19.6%) |

Cremation Highlights

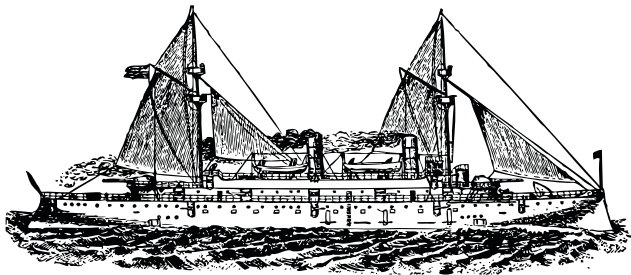
- 21.4% Increase in Service Revenue
- 30.6% Increase in Casket/Container Revenue
- 12.9% Increase in Urn Revenue
- 19.7% Increase in Ancillary Product Revenue
- 21.8% Increase in Customer Satisfaction

Internal Staff Engagement, Fulfillment, and Participation

The Life Celebration Experience Model reinvigorated and reenergized our entire organization. The cross-generational appeal of Life Celebration, Inc. was not only limited to our consumer; employees that had been with us for decades warmed to the program right away. Our team was proud to be able to provide families with this one-of-a-kind funeral experience. It was an entirely new approach in our internal and external communication processes and our staff welcomed the refreshing change.

Life Celebration has enabled employees to act with spirited intention and inspired ownership of their role and responsibility within our organization. Employees want to deliver the news of Life Celebration; they are proud to be able to stage the play of a loved one's life.

Additionally, Life Celebration, Inc. has been instrumental in maintaining and attracting the most qualified and talented funeral professionals in our area. It is not uncommon for me to receive several resumes each month from funeral professionals seeking employment.



More importantly, Life Celebration, Inc. has helped make us the most sought after place of employment for recently graduated funeral professionals seeking an internship in the area. Since our launch of Life Celebration in 2001 we have experienced zero employee turnover, other than for cause or retirement.

Local Community Impact

The Community reaction to Life Celebration was and continues to be tremendous. We quickly found that our updated branding was catching on throughout the region. Community members, local clergy, and those who attended funerals with us began to refer to our locations no longer as funeral homes but as Life Celebration Homes®.

Implementing the program also forged a unique bond with the Philadelphia Police Department. In November of 2007, a Philadelphia Police Officer was killed in the line of duty, and we had the honor to provide a Life Celebration service for the officer's family and the men and women of the Philadelphia Police Department. By employing the concepts of the Life Celebration Experience Model, we were able to appropriately honor this fallen officer, his family, and the Philadelphia Police Department, helping the community heal from this tragedy. Unfortunately, over the next 16 months that would follow, we had

to repeat these services six times, as six other officers were killed in the line of duty. These officers were from different ethnic, socio-economic, and religious backgrounds and resided in different areas of the city – yet they came to us for a Life Celebration, to honor the individual while executing customs and departmental protocol for Police and Fire active duty funeral services. Our relationship with the department has grown even

greater over the years and we now help them with special events and memorial services that happen throughout the year.

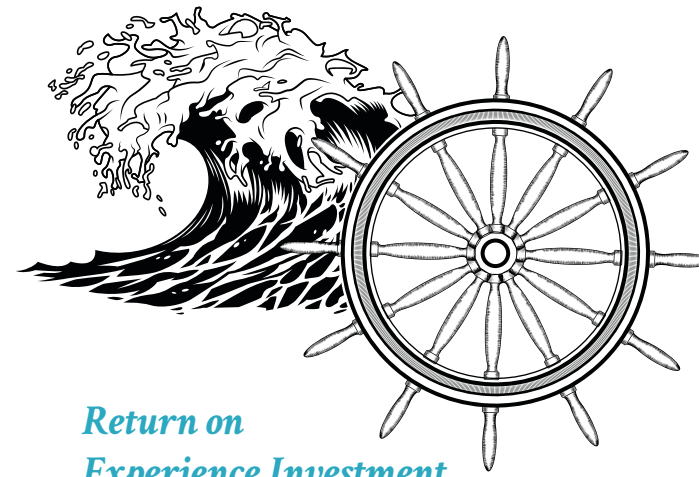
Reliability and Consistency of Products and Support

The design team at Life Celebration, Inc. is phenomenal. They encourage our funeral directors to zoom in on who the deceased was and draw more information from the families they meet to better customize the funeral experience. The funeral directors, the families, and the design team at LC come together to co-create and stage the perfectly executed play of the loved one's life.

As we all know, in the funeral business, we only have one chance to get everything right. We have peace of mind knowing that each package we receive has been triple-checked to ensure accuracy of items and quantities needed. Life Celebration does a tremendous job of ensuring all printed and digital props selected are impeccably produced, fulfilled, and delivered on time, every time. My funeral directors and staff have confidence that Life Celebration Team Members are tracking packages minute to minute to ensure a service is never missed.

Access to Innovative Offerings

One of my favorite quotes is from Henry Ford when he states "If I had asked my customers what they wanted, they would have told me a faster horse." Life Celebration, Inc. is constantly providing innovative offerings designed to provide cross-generational engagement and value. We recently installed the **Envision System** in one of our locations and family engagement is at an all-time high. The custom digital presentations create a wall-to-wall immersive experience. Aside from continually investing in new equipment and technology, the LC Inc. team supports our growth by hosting annual intellectual workshops featuring renowned academics, economists, and other Experience Economy Experts.



Return on Experience Investment

As we began providing Life Celebration props to our families, we knew we could never go back to where we were or what we were doing previously. What we didn't know was the power of the props and the experience we were providing would work for us. When families, guests, and relatives attended a Life Celebration experience, they became our living, breathing marketers! We repositioned the dollars we used to spend on advertising and put it towards our experience staging. We learned from Pine and Gilmore that "the experience is all the marketing you need." We've continued to use this formula over the years with great success.

Conclusion and Projection

In 2020, funeral professionals must be positioned to provide value-added, cross-generational experiences to ensure the funeral profession remains a viable option for end of life services. If not, prepare to be commoditized and face the same revenue and margin pressures the rest of the profession is facing.

Just as the baby boomers provided a disruptive force to our service delivery model 20 years ago, so too are the Millennials and Generation Zs. Recent research indicates Generation Z (those born after 1997) will account for one-third of the population by 2020. Gen Z is hyper-informed and digests information quickly, leading to shorter attention spans. Interestingly, surveys indicate that Gen Z is less influenced by price, promotion,

and ads. What they do value is uniqueness, experience, and innovation. Millennials seem mostly to care about their identity. Being seen as individuals and having brands deliver personalized service goes far with this generation. Fortunately, we are already positioned to offer these types of funeral experiences and are recognized as the market leader and exclusive provider of Life Celebration props within the communities we serve.

As our organization embarks on our next phase of development and beyond, we feel fortunate to have a partner like Life Celebration, Inc. with us on our journey. We are confident that we will remain the market leader in innovation and customization. Partnering with Life Celebration provides us with a platform to be uniquely positioned to be the provider of choice for generations to come.

Daniel J. Solecki has served as Chief Operating Officer for Givnish Family Funeral Homes, a regional owner and operator of funeral and cremation services in Southeastern Pennsylvania and New Jersey for the last 21 years. Daniel is a graduate of Albright College (B.S. Economics), the Haub School of Business at St. Joseph's University (M.B.A), and is a Fellow of Leadership Philadelphia, Core Class. Daniel also serves on numerous non-profit boards and is a member of the Executive Committee of the Board of Directors of Michael the Archangel Ministry Program, Philadelphia Police F.O.P lodge 5. For additional information Dan can be contacted at 215-663-1838, extension 204.

