

# [ REVENUE RESOLUTIONS ]

## A New Mindset for a New Year

A new year brings new business resolutions.

Small changes in your firm's approach to doing business can have a profound impact on how you navigate the coming year ... and that's what we're focusing on in this special section.



LiveOakBank®



# REVENUE RESOLUTIONS

By Andrew Kennedy, VP –  
*Funeral Home & Cemetery Lending,*  
*Live Oak Bank*

## Elevate Your Funeral Home Business: The Power of a Specialized Banking Partnership

In today's competitive landscape, funeral home businesses face unique financial challenges and opportunities. To thrive in this industry, funeral home owners and operators need a banking partner who understands their specific needs. A specialized banking partnership can help you unlock the full potential of your business, optimize cash flow, drive revenue growth, streamline operations, and enhance client experiences. More importantly, it can provide a sense of relief, knowing that a bank with funeral home expertise understands your business model and can tailor solutions that address your needs.

### UNDERSTANDING THE UNIQUE FINANCIAL NEEDS OF FUNERAL HOMES

Funeral homes face a distinct set of financial considerations:

- **Seasonal Fluctuations:** Demand for funeral services can vary significantly throughout the year, leading to uneven cash flow.
- **Significant Capital Investments:**



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Acquiring real estate, upgrading facilities, or investing in advanced technology requires substantial capital.

- **Regulatory Compliance:** Adherence to complex regulations can incur additional costs and administrative burdens.
- **Customer Sensitivity:** Providing compassionate care demands flexibility and the ability to accommodate diverse

financial situations.

A specialized banking partner with deep industry knowledge and tailored financial solutions can empower funeral homes to navigate these challenges effectively.

Here's how:

### OPTIMIZE CASH FLOW

Cash flow is the lifeblood of any business, including funeral homes. A steady and predictable cash flow is essential for meeting operational expenses, paying debts, and investing in future growth. There are a variety of ways that your banking partnership can optimize your cash flow.

Business checking and savings accounts are crucial in managing cash flow for businesses of all sizes. These accounts can help you track your income and expenses, make timely payments, efficiently handle transactions, and provide a secure place to earn interest on your deposits.

Additionally, if you have existing loans with high interest rates, refinancing can help reduce your monthly payments and free up cash for other purposes. A specialized bank can assist you in evaluating your

refinancing options and finding the best deal.

Experienced funeral bankers can help you identify and mitigate potential risks to your cash flow, identify areas for improvement in your cash flow management practices, and provide access to financial tools that can benefit your bottom line.

## CAPITALIZING ON GROWTH OPPORTUNITIES

Having a specialized funeral banking partner prepares you to seize growth opportunities when they arise.

If you have a well-defined approach to expansion and a proven business model, a business expansion loan could be an ideal fit to evolve your customer base and increase your profits. Investing in your business often requires extra capital to help you reach an untapped market, expand your physical location, or generate new revenue streams.

There are many uses for a business expansion loan. Some examples include:

- Acquiring a competitor or related business
- Buying or constructing commercial real estate to grow your physical location
- Opening a new location to expand your footprint
- Renovating your existing location to operate more efficiently
- Entering a new market to boost your customer base
- Hiring employees to grow your team
- Releasing new products or expanding your current offerings
- Purchasing new equipment to improve your operations

Additionally, a high-yield business savings account can help you passively grow your money to have capital available when a new opportunity comes.

## ENHANCED CUSTOMER EXPERIENCE THROUGH STREAMLINED OPERATIONS

A banking partnership can enable streamlined operations that enhance your customer experience. Efficient banking solutions, such as online and mobile banking, can save you time and money, while a loan for new equipment can improve the quality of your services and offerings.

## LIVE OAK BANK RESOURCES FOR FUNERAL HOMES

Live Oak's Funeral Home and Cemetery banking team offers a wide range of

business solutions that enable them to tailor financial solutions to the unique needs of funeral homeowners. Here is a high-level overview of Live Oak's loan and banking solutions:

• **Commercial Real Estate (CRE) Loans:** CRE loans can provide the necessary capital for expanding or renovating your funeral home facilities. These loans offer competitive interest rates and flexible terms to support your business growth.

• **Small Business Administration (SBA) Loans:** The SBA offers various loan programs. The SBA 7 (a) program offers up to \$5 million for various business needs, such as facility expansion, equipment purchases, and working capital.

• **Commercial Loans:** Commercial loans offer versatility for various purposes, including equipment purchases, working capital, or debt consolidation.

• **Live Oak® Express Loans:** For quick access to capital under \$500,000, Live Oak® Express offers a streamlined application process and rapid funding. Express loans can help you meet unexpected expenses or seize time-sensitive opportunities.

• **Business Checking and Savings:** These accounts provide convenient access to your funds, along with features like online and mobile banking for efficient management of your finances.

## BUILDING A STRONG PARTNERSHIP WITH YOUR BANK

A strong partnership with your bank can help you achieve your long-term goals. Here are some tips for building a strong relationship with your banker:

• **Communicate Regularly:** Maintain open and honest communication with your banker. Keep them informed about your business plans, challenges, and financial goals.

• **Be Proactive:** Don't wait until you have a problem to contact your banker. Be proactive and reach out to them regularly to discuss your financial needs. Start loan conversations early.

• **Provide Financial Information:** Be prepared to provide your banker with the necessary financial information, such as your income statements, balance sheets, and tax returns.

• **Be Transparent:** Be honest and upfront with your banker about your financial situation. Don't hide any problems or challenges.

• **Seek Advice:** Don't be afraid to ask your banker for advice on financial matters. They can provide valuable insights and recommendations.

Here are some questions to ask your bank to determine if they have FHC expertise:

- Do you have a dedicated team that understands the specific needs of funeral homes?
- What is your understanding of the unique financial challenges and opportunities faced by funeral homes?
- What strategies do you recommend for funeral homes to optimize their cash flow, especially considering seasonal fluctuations?
- How do you assess the financial viability of expansion plans for funeral homes?
- What risk management strategies do you recommend for funeral homes to protect their assets and mitigate potential liabilities?

By asking these questions, you can assess your bank's level of funeral expertise and determine if they are the right partner to help you achieve your financial goals.

At Live Oak Bank, we help you capitalize on growth opportunities, while avoiding costly mistakes, because we understand the ins and outs of the funeral industry. Contact us today to discuss your financial goals and discover how a strategic partnership can elevate your business to new heights. Remember to consult with your financial advisor to develop a comprehensive cash flow management plan tailored to your specific needs.

To learn more or connect with Live Oak Bank's funeral home banking team, visit [liveoakbank.com/funeral](http://liveoakbank.com/funeral).

**Andrew Kennedy** is a senior loan officer at Live Oak Bank, specializing in funeral home and cemetery financing. He has over 6 years of experience in the industry and has helped funeral professionals secure over \$100 million in loans. Kennedy is also a passionate advocate for the funeral industry and is actively involved in community outreach and education. He has been recognized for his leadership and innovation and was recently named one of the ICCFA's 40 Under 40. He enjoys spending time with his family and playing golf in his spare time.



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A small business loan isn't  
just about the money.

It's about making the  
most of it.

With our dedication to efficiency,  
collaboration and deep knowledge  
of the funeral industry, we'll take  
you where you need to go.

To learn more, visit us at  
[liveoakbank.com/funeral](https://liveoakbank.com/funeral)



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# REVENUE RESOLUTIONS

By Mae Kowalke –  
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## Ready or Not: Changes in the Death-care Industry Push Funeral Directors to Adopt Technology

Funeral home owners and operators face a conundrum around the use of technology in their businesses. Adopting computers and software for essential functions may feel like flying in the face of practices that have served this industry for generations. Yet, it is becoming increasingly difficult to do business without technology.

The relationship between funeral home directors and their clients traditionally depended on face-to-face human connection. For families making arrangements, visiting a funeral home in person to choose burial services and often a casket was an expected part of the package.

Within that framework, keeping funeral home accounting books and other records on paper made sense – and engendered trust. Today, however, funeral home clients increasingly embrace technology and take for granted that the businesses they buy services and products from are doing the same.

Meanwhile, over the past few decades, major changes in American society have significantly impacted funeral home business models, in ways that make adopting technology even more imperative.



**MAE KOWALKE**

Foremost among these changes is the switch from burial to cremation. Cremation is now preferred over burial for the majority of Americans (61% as of 2023, projected to reach 80% by 2030, according to CANA's Annual Statistics Report). Funeral homes – 90% of which are small business/family-owned operations, according to Statista – are hard-hit by this trend through the loss of casket and burial sales, resulting in significantly thinner margins.

Also, American families are now much more geographically dispersed than in the past, so clients making final arrangements for their loved ones are doing so from afar and tend to be much more motivated by a streamlined, efficient process and low costs than human connection with a death-care provider.

These factors combine to create an uncomfortable truth: funeral directors who resist digitizing their business processes find it very difficult to run a financially sustainable operation. The time to embrace technology – or fully leverage technology already in place – is overdue.

### **How Software Benefits Death-care Businesses**

Before diving into specific features that funeral home software packages offer, let's look at some of the more general ways you can leverage technology in your death-care business.

#### *Make smarter business decisions*

To stay in the black, funeral directors now need the ability to continuously track year-over-year profit margins and sales trends. This type of real-time reporting is impractical using paper records.

Continental Computers' flagship soft-



ware product, The Director's Assistant® Web (TDAW®), efficiently covers this crucial aspect of funeral home operations. It is the only death-care industry-specific solution with natively integrated accounting software – interfacing seamlessly with our Smart Accountant software, which covers accounts payable, general ledger, payroll, and secondary accounts receivable functions.

If you're already using another accounting package, TDAW® has included integration with QuickBooks since 2002, Peach Tree since 2008, and Federated since 2019.

With TDAW's built-in, real-time reporting, you can quickly identify trends and make decisions about your business that align with current and projected market realities.

#### *Run a more efficient business*

Funeral home management software helps you save money by consolidating and automating tasks that would cost much more if hiring a person (or more than one person) to do the same work.

If you already have software installed at your business, the start of a new year is a great time to make sure you're getting full value from this investment. Funeral directors who review all the things their software can do often uncover previously unknown features. Did you know that TDAW® includes features to manage trust accounts, create memorials for clients using a library of customizable templates, and attach personalized digital sticky notes to individual cases?

#### *Keep valuable data organized, accessible, and safe*

A single paper copy of funeral home records creates a very high risk of losing sensitive, valuable data. Over the decades, we've seen countless businesses lose their data in a variety of natural disasters and acts of God, like floods and fires.

Paper records are also at risk of getting misplaced and can only be accessed by staff or clients onsite.

Using software, with a digital backup offsite on a secure server, you can get peace of mind against such scenarios and also gain flexibility that isn't possible with paper.

#### *Meet the expectations of modern death-care clients*

The services a funeral home must now provide are less personal – in the sense of face-to-face interactions – than in times gone by. Clients expect to be able to go online, learn about the services you offer, and purchase them through digital means.

Continental Computers helps you meet clients where they are, so you can stay competitive in the digital age. TDAW® can be accessed

on any internet-connected device; this gives you the flexibility to, for example, conduct a preneed arrangement meeting at any location and save all selected options on file for later case management.

We also offer ArrangeOnline®, a web directory where funeral homes can list the services they offer. Families can easily find a funeral home that meets their needs and get in touch to begin making arrangements. From within TDAW®, it's simple to set up your ArrangeOnline® website.

#### **Funeral Home Management Software Features to Leverage**

Finally, let's take a look at some specific funeral home software features that can help your business.

##### *Death certificate filing and recordkeeping*

The job of signing, certifying, and filing death certificates often falls to funeral directors.

Digital tools to streamline this process are a longstanding feature within TDAW®, harking back to 2003 when we introduced integration with the State of Minnesota Electronic Death Certificate Registration System. Today, TDAW® can import to and export from all state systems that support electronic death certificate filing. As more states develop this capability, we will add integration for them as well.

In TDAW®, it's easy to import from or export to a participating state's program, print a death certificate, and track all death certificate filing information directly in the deceased case record.

##### *Document e-signing*

Digital signature may seem like a leap in an industry so firmly based in traditional, paper-based practices. However, this method of certifying documents has been legally binding since 2000, when the E-Sign Act was put into law<sup>3</sup>, and has since become mainstream in many industries.

Having some way for clients to digitally sign paperwork in a secure way is essential. We added document e-sign to TDAW® in 2020.

##### *Online funeral planning*

Most families shopping for funeral services are looking for an efficient process with online planning options.

Having the software in place to facilitate online funeral planning is now an essential element for any death-care business. It can also be a way to boost repeat business, especially through preneed sales.

Creating an ArrangeOnline® website – a simple process from within TDAW® – is an easy way for you to add this capability to your offerings.

#### *Online obituaries and memorials*

Most funeral home clients now expect to publish an obituary on the website of the funeral home contracted for arrangements.

Having software with comprehensive but flexible data entry options for obituaries is an important aspect of your business operations. Way back in 1995, we added Obituary Writer to TDAW® – an easy way to create personalized obituaries in minutes.

#### *Chain-of-custody tracking for deceased remains*

Last year, Illinois passed the Integrity in Death Care Act (IL SB2643)<sup>4</sup>, which dictates that funeral homes in that state must establish a chain-of-custody and unique ID system for tracking the remains of deceased individuals who died in Illinois.

Having such a tracking system in place is just good business, regardless of if your funeral home is in Illinois or elsewhere.

Last year, Continental Computers introduced a digital tracking system, TDAtrak™. Using this feature of TDAW® is a snap: print a tracking tag, place the tag on a wrist band attached to the body, scan the QR code and record actions at each chain-of-custody point, and print a report anytime. No separate phone app is required.

#### **Conclusion: Technology is an Essential Tool for Death Care**

Tight margins and a changing clientele are trends pushing death-care professionals – members of a steeped-in-tradition industry – to adopt 21st century digital business processes. Doing so may be an uncomfortable and challenging process, but the time for this change is long overdue.

Software brings many benefits to funeral directors, including the ability to make smart business decisions in response to rapid market changes, run a more efficient business, and keep valuable data organized, accessible, and safe. Features like digital signatures and online funeral planning are the type of essentials you now need to win and retain customers. •

**Mae Kowalke** grew up in rural Washington State and Vermont. In high school, she worked in public libraries and during college began her career in journalism before segueing into digital marketing. Mae holds a B.A. in Communications and has spent over two decades applying her writing superpower to help businesses communicate the value they bring to customers. Mae's life experiences provide her with a broad and deep understanding of researching,

# THE ORIGINAL DEATHCARE INDUSTRY SOFTWARE SOLUTION

## DEPENDABLE FEATURES TRUSTED BY FUNERAL DIRECTORS FOR 40 YEARS



### The Director's Assistant® Web (TDAW®)

Over the past four decades, our commitment to supporting *your* business has never wavered.

Since 1995



#### Memorial Designer Library

Unlimited options for memorialization.

Since 1995



#### Obituary Writer

Create personalized obituaries in minutes.

Since 2009



#### Integrated Checklist

Ensure no step is missed in your process.

Since 2011



#### Interactive Calendar

Manage your schedule effortlessly.

Since 2020



#### Integrated E-Sign

Streamline paperwork with digital document signing.

Since 2024



#### Digital Sticky Notes

Easily attach personalized notes to cases.

Since 2024



#### TDAtrak

State-of-the-art deceased tracking software.

Since 2024



#### FamilyLink

Personalized, client-specific web portal.

And Much More

