



Innovation and Service Efficiency in Bereavement Services

Andy Mudd, Head of APSE Solutions

What am I talking about?



- Efficiency
 - Use of resources
 - Cost to public purse
 - Cost to end payer
- Innovation
 - Technology
 - Process
 - Market

But lets not forget this is social policy



- Universal requirement
 - Public health
 - Environment
- Bound up with cultural/religious traditions
 - Rules and rituals
 - Resistance to change
- And also big business
 - Dignity
 - Acquisitions strategy
 - Forward integration
 - Coop
 - Own brand
 - Rowing back from forward integration

Thoughts on the industry



- Entrenched model
 - Private profit of funeral directors
 - Subsidised by public purse – though changing
- Victorian funeral model
 - Little choice on offer
- Disciplined market
 - Incumbents very defensive
- Gross inequality
 - Funeral poverty
 - Funeral opulence

Outputs from Blue Ocean Strategy session

- Opportunities for backward integration
- Threat of forward integration
- Opportunities to offer more choice
- Imperative to reduce cost to end buyers
- Lots of presumptions to question

Blue Ocean Strategy

How to Create Uncontested Market Space
and Make the Competition Irrelevant

W. Chan Kim & Renée Mauborgne

Summary: Sreekanth Jayanti

[Email](#) [Facebook](#) [LinkedIn](#) [Twitter](#)

Presumptions to question



- Undertaking is a specialist business we cant do
- Risks are too high
- The law doesn't let us or we are not allowed to make any money
- Everybody wants a Victorian funeral model
- Disposal has to take place at the same place as the send off
- The high cost of funerals is down to councils putting up prices

This is a an industry that is ripe for disruption



- End to end
 - Yes we can and yes we should
 - Potential for acquisition route to market
- Shared/centralised cremation facilities
 - This is a game changer that changes the cost basis
- Greatly expanded range of funeral venues
 - Does everybody want to go to one of just 3 venues for funerals
 - Makes it more like modern weddings
- Which greatly expands range of different sorts of 'send offs'
 - Alternative processes
 - Alternative arrangements

Are others making a move?



- Forward integration prompted by disposal now being cost effective business
 - Dignity
 - Memoria
- Simple funeral offers
 - Dignity just cut its prices for its basic offer by 25% - £1995
 - Fair Price Funerals - £2150
- Minimal funeral offers
 - Simplicity (Dignity) – £1495
 - CremationFuneral Service – £895
- Council basic funeral offers
 - Cardiff
 - Nottingham and quite a few others
 - Part of increased level of competition

Is anybody going further?



- Several business cases completed
 - No technical/legal obstacles
 - But high level of market discipline
 - And entrenched taboos
 - Good potential for income generation at achievable volume
 - Pushes down cost to end payer
- Just one adopted so far
 - Gateshead now owns Regent Funeral Services
 - But not yet open for business
- At least two councils actively considering sharing cremator
 - One business case
 - One in discussion stage

So has the blue ocean now turned red?

- **Maybe it's getting a bit purpleish**
- **Lower cost (reduced margins) has been a long time coming**
- **We have other (unused) market advantages**
 - **Ability to integrate all elements of funeral journey**
 - **Ability to change cost basis of disposal**
 - **Unique access to market**





Consultancy

Andy Mudd, Head of Solutions, APSE

Email: AMudd@apse.org.uk

Interim management requirements

Roads & Highways, Building Maintenance, Bereavement Services, Environmental,
Parks & Open Spaces, Waste, Facilities & Leisure etc.

Emma Taylor, Client Coordination Officer, APSE

Email: etaylor@apse.org.uk

Association for Public Service Excellence

2nd floor Washbrook House, Lancastrian Office Centre, Talbot Road,
Old Trafford, Manchester M32 0FP.

telephone: 0161 772 1810

fax: 0161 772 1811

web: www.apse.org.uk



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