



Making the case for end-to-end bereavement services

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APSE Solutions**

About APSE Solutions



- Part of the range of services APSE offers to its members
 - Consultancy projects
 - Workshops and information sessions
 - Interim management

Why look at bereavement services?



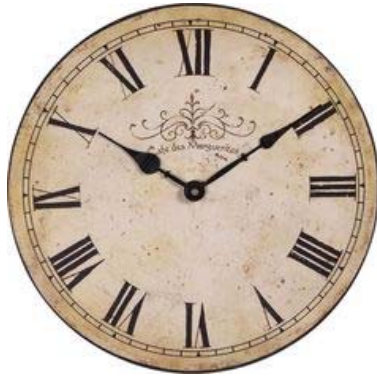
*In this world, nothing can
be said to be certain,
except death and taxes.*

Benjamin Franklin

Why look at bereavement services?



- A necessary service – and one for which demand is increasing
- An existing area of activity for Councils
- An existing area of expertise for Councils
- An opportunity to generate income
- An opportunity to generate *more* income – ‘thriving and surviving’
- An opportunity to do it *better* than others



Timeline



APSE Solutions summer workshop – creating a
'blue ocean' within bereavement services

Porter's generic forces



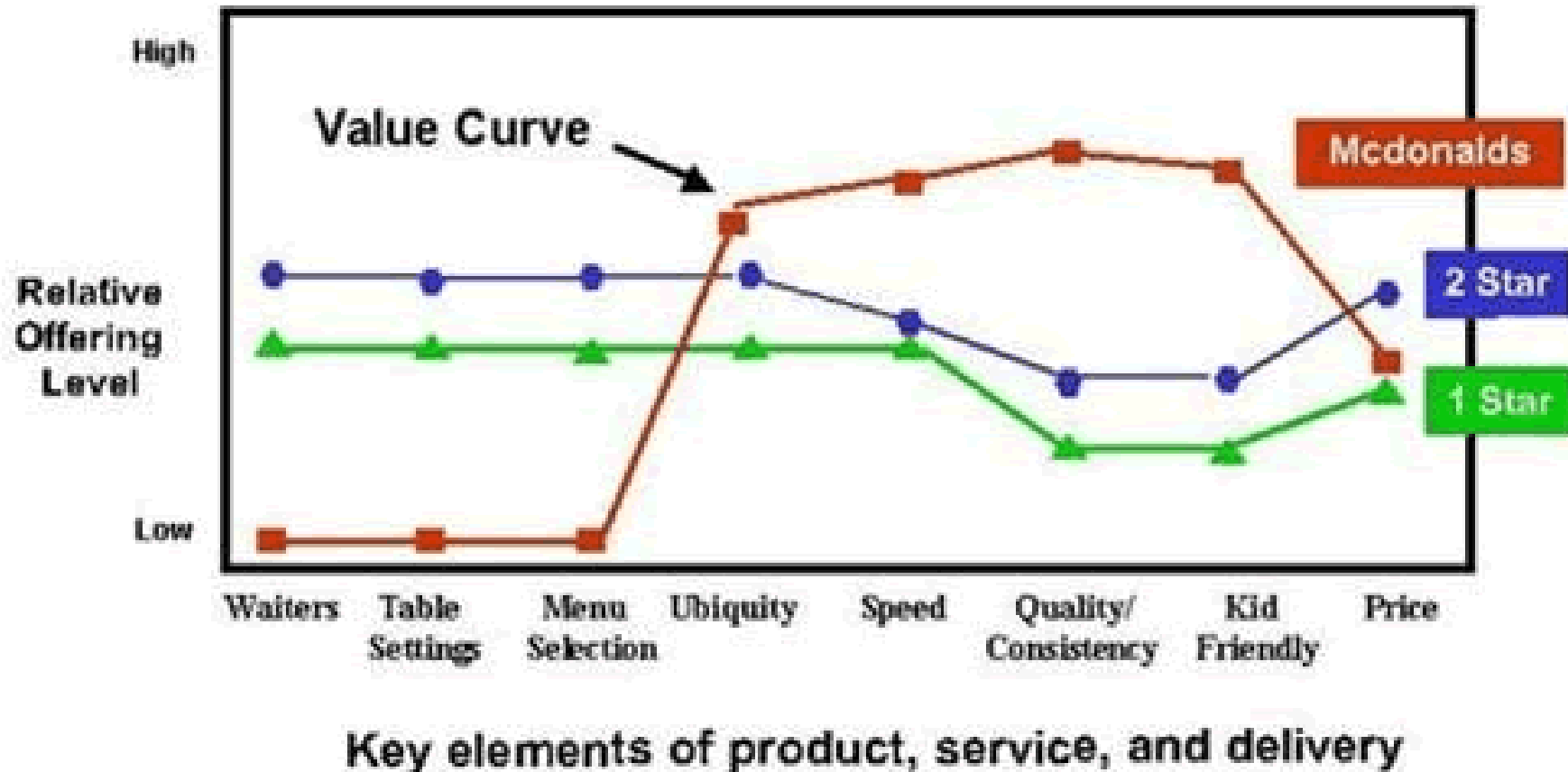
Price

Quality

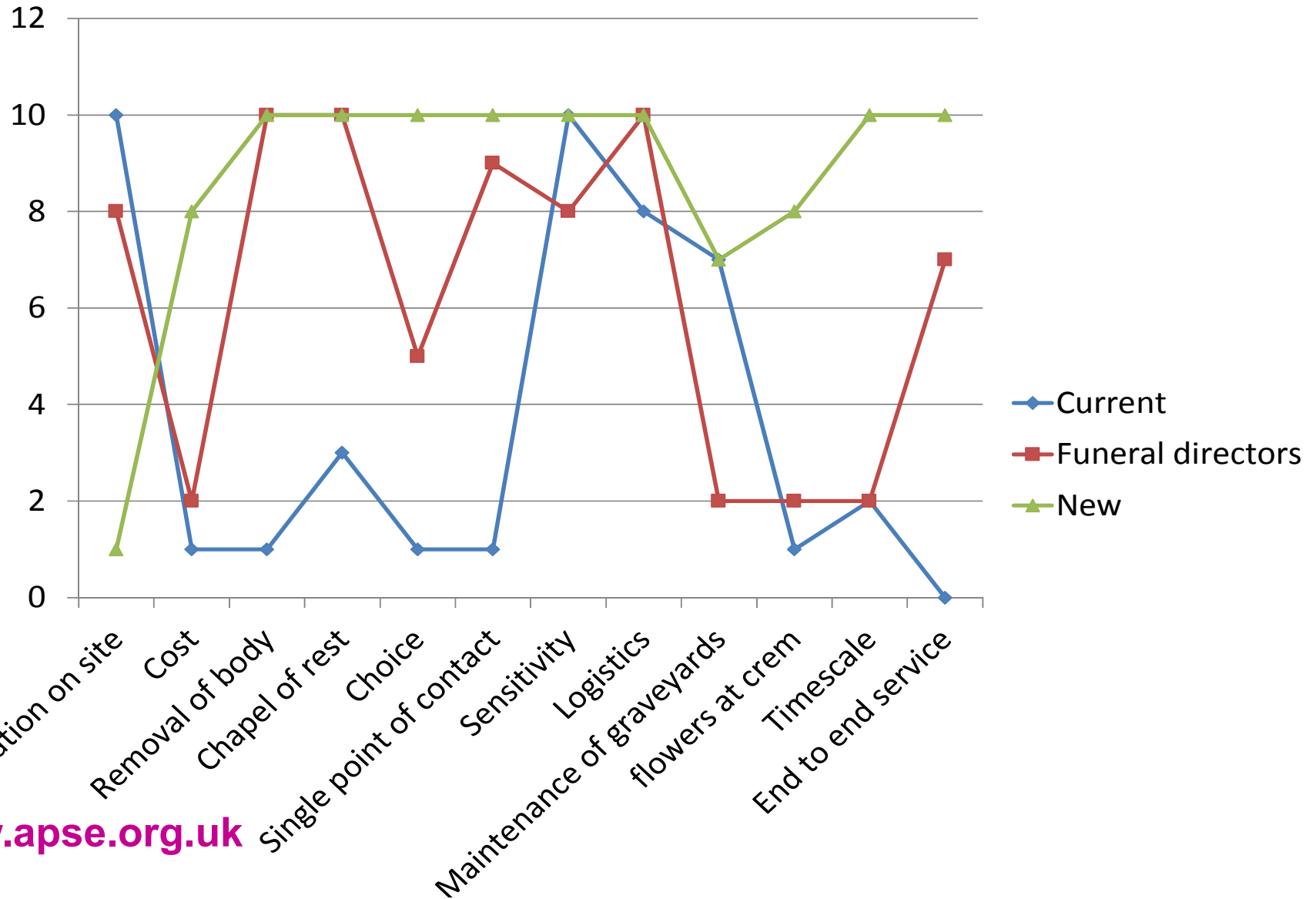
Niche/Specialism

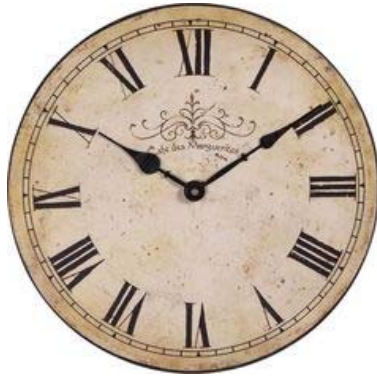


Creating a blue ocean - McDonalds



Bereavement Services





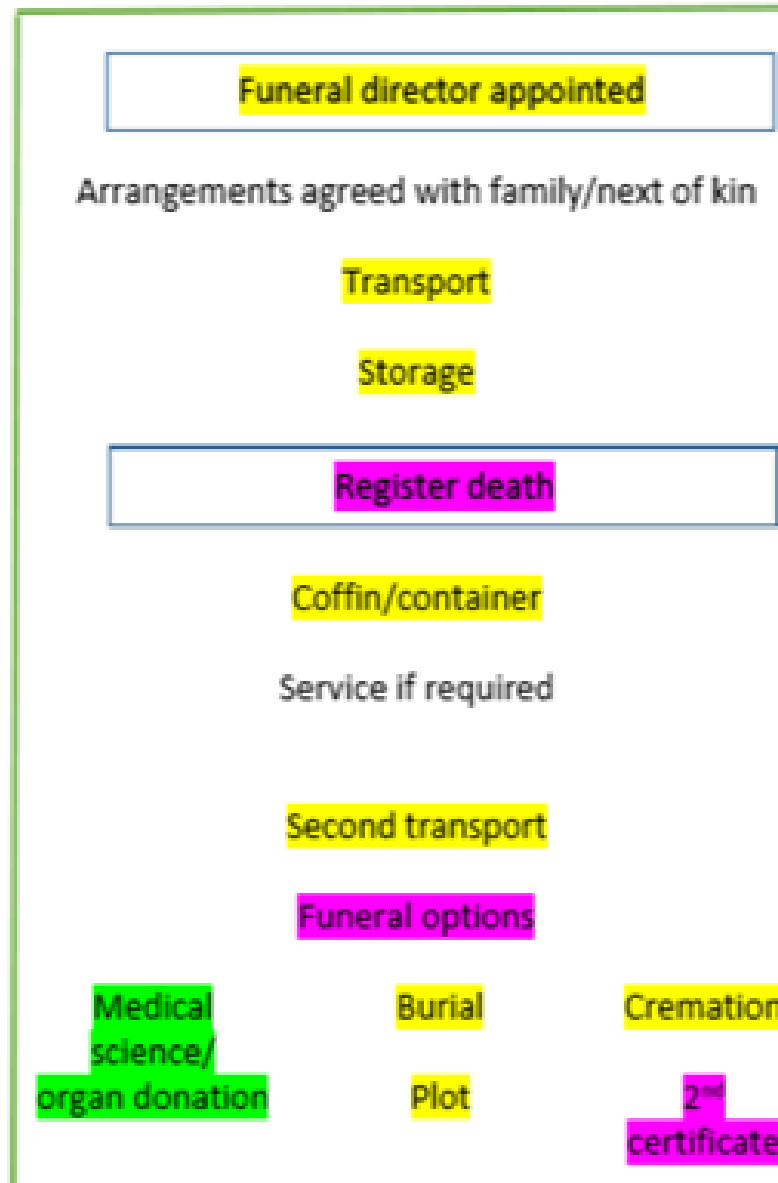
Timeline

- APSE Solutions summer workshops – creating a ‘blue ocean’ within bereavement services
- Further meeting/workshop session with 10 Councils interested in progressing
- Three Councils jointly commissioned APSE Solutions to develop a business case
- Work carried out Nov 2015 to Feb 2016

Defining an end-to-end service



C
O
R
E





5 topic business case

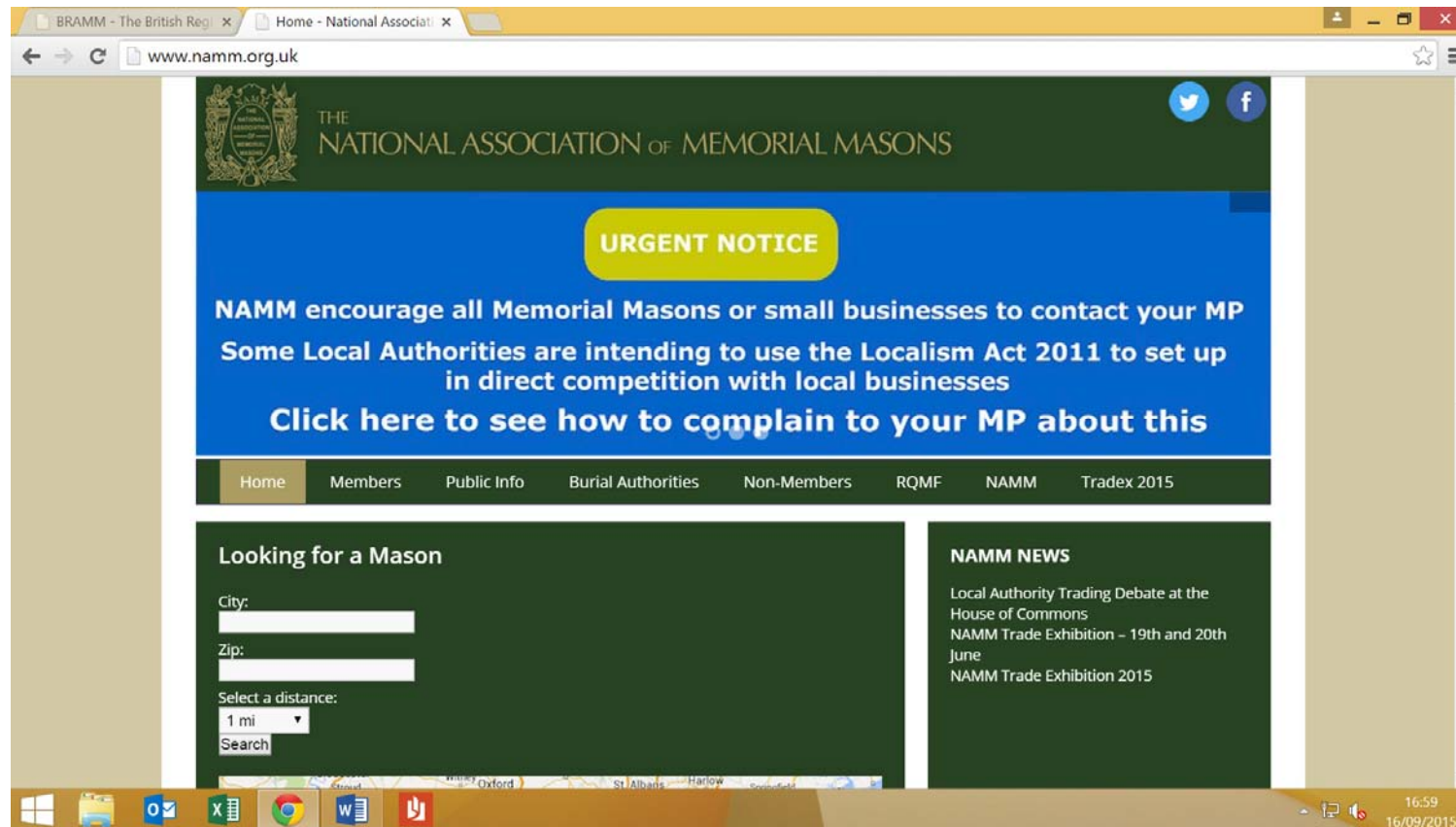
- Legal
- Strategic
- Commercial
- Financial
- Operational/Technical



Legal

- No legal restrictions to trading in this area
- Potential legal challenges?

Opposition?



www.apse.org.uk



www.nafd.org.uk/2015/03/10/the-nafd-responds-to-north-east-lincs-council-plans-to-offer-funeral-services/

National Association of Funeral Directors 0121 711 1343 info@nafd.org.uk Visit members' site

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The NAFD responds to North East Lincs Council plans to offer funeral services

Mar 10, 2015

The National Association of Funeral Directors is extremely concerned to hear of the 'One Stop Funeral Service' proposed by North East Lincolnshire Council which would see the council set itself up, effectively, as a funeral director.

Whilst we have every sympathy for local authorities who need to make up shortfalls in their budget, this should not be achieved by setting themselves up in direct competition with local businesses, many of which are small family-owned firms. All funeral firms in the local area have to pay significant business rates to the council in order to operate, which the council of course will not, giving the council something of an unfair advantage – which we consider to be anti-competitive.

This also has a financial impact on local people too, as they are funding council activities like this through their council tax, at a time when bereaved families in the borough are already facing an above-inflation 14% rise in the council's burial charges, and a £159 penalty charge if a cremation overruns by just five minutes.

Press Office
Call the NAFD Press Office on:
0845 250 8435 or email us at
nafd@wordsmith-communication.co.uk

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Legal

- No legal restrictions to trading in this area
- Potential legal challenges?
- No legal requirements, e.g. licensing or training, for operating undertakers' services

Strategic: Income generation



- NAO – Councils have experienced cuts of 37% in real terms between 2010/11 and 2015/16
- DCLG – Further 30% budget reduction over the next 4 years
- APSE Survey – 96% of members regard income generation from commercial activity as crucial to survival

Strategic: Funeral Poverty



- YouGov / Axa Sun Life found cost of a basic funeral is £3,590
- Ancillary services such as flowers, music, service cards etc add £1,833
- Legal services and probate add £3,004
- 81,242 in shortfall, average £2371
- Funeral directors increasingly want payment up front
- 59% Social Fund apps successful - average £1,375
- Increase in Public Health Funerals

Strategic: doing it better



- Funerals are ‘crisis purchases’
- Concerns over dignity, respect, etiquette
- ‘Arranging’ not ‘buying’ a funeral
- Limited options offered based on traditional Victorian funeral service
- Lack of transparency about costs and fees, especially on websites
- Lack of choice, e.g. faith based, timings, non-traditional options
- Genuine one-stop offer
- Link in to other Council strategies and policies

Commercial



25% burials



**75%
cremations**

Commercial



- 9.34 deaths per 1,000 in UK in 2014
- Equates to 580,000 deaths per year
- Average funeral costs £3,590
- Market value of.....

£2,082,200,000

Commercial



Also considers:

- Potential for growth of overall market
- Ease of entry in to the market
- Threats to market share
- Who are the competitors?
- How is the market changing?
- What other opportunities are there – ancillary services, end-to-end offer

Financial



- Costs associated with setting up an end-to-end funeral service as a new business
- Created a scenario and worked with mortuary supply company to create outline costings
- Other issues, e.g.
 - Staffing requirements and salaries
 - Training and training costs
 - Purchase vs leasing
 - Business start up vs acquisition



Technical / Operational

- Included in other aspects of business case, e.g. training requirements and staffing costs
- Would need developing in more detail once Councils have decided which model to take forward



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