



June 14, 2010

**Dear Subscriber:**

There is a “*mancession*” going on, and you’d better pay attention to it if you want to deliver marketing messages to potential customers that will produce better results.

That is the message from Genevieve Bos, founder of Pink Magazine, who was a keynote speaker at the International Cemetery, Cremation and Funeral Association convention in San Antonio. The magazine focuses on women, and Bos thinks funeral service professionals need to do the same. “Why women and why now?” she asks. One reason is that more women are working because the recession has had a worse effect on men, who tend to work in industrial and cyclical industries. “More women are out-earning their husbands, and women are bringing home the bacon,” she says.

In fact, *86 percent of all consumer purchases are now made by women*, Bos says. “The bottom line is the success of your business will increasingly depend on women,” she says, and it’s important to understand how they think and how they buy. For instance, women can focus on more than one task better than men, they speak an average of 25,000 more words per day and they have a greater use of their right brain. The fact that women tend to talk more is important. A woman will generally tell 10 people about an experience she is happy with but will tell 30 people when she has an unhappy experience.

There are many keys to selling to women, but one thing you need to know is that women usually want more input and more opinions before making a purchase. They want information from a multitude of sources (think customer reviews online, your website and word of mouth). The location of a facility also tends to be more important to women. “It’s all about trying to get more time to be efficient in their lives,” Bos says.

Be sure to think about how all this applies to your business, Bos advises. One thing she suggests is to approach groups of women to talk about how to live life more joyfully, and be sure to just get out there and be seen. “It’s about being in your community on a consistent basis in unique ways to give women a reason to talk about your product,” Bos says.

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## **Matthews Cremation Thinks Alkaline Hydrolysis has a Solid Future**

As California considers whether or not to approve a bill that would allow consumers to opt for a form of disposition called alkaline hydrolysis, it’s becoming increasingly clear that this method of disposition may eventually be available on a much wider scale.

The process is touted as environmentally friendly, and it produces a fine white powder and a liquid byproduct that can be flushed down the drain. If California lawmakers approve the process, the state

would join Florida, Maine and Oregon as states that have taken legislative action to allow members of the general public to opt for the process. Other states such as Minnesota and Colorado allow medical and veterinary institutions to use the process on cadavers or animals.

One of the main things alkaline hydrolysis has going for it is the support of Matthews International Cremation Division. The company is partnering with Resomation, a company based in Scotland, to introduce the technology to funeral homes under the trademarked name Bio Cremation. We thought it was time to ascertain more fully where Matthews Cremation sees the technology going and how it foresees it affecting the future of funeral service. Steven Schaal, division manager of sales and marketing for Matthews Cremation, answered our questions.

*Question: Can you give us an update on where everything stands in California and how your company is involved?*

The Cremation Division has been intimately involved in this legislative process for California. What is also known as AB 2283 (Disposition of Human Remains: Alkaline Hydrolysis), Paul Rahill (president of the cremation division) and I flew to Sacramento in March 2010 and met with several funeral and advocacy groups to discuss Assemblyman Jeff Miller's sponsor of the bill. With the guidance from our in-house lobbyist, Clinic Directors, SCI colleagues and local Sacramento representatives from Aaron Read & Associates, collectively we've been providing the testimonial support, talking points, test analysis and overall educational guidance on the environmental impact and technical applications that come with Bio Cremation. The bill has successfully passed the first several phases in the legislative process and currently sits with the Environmental Quality Committee.

*Question: There has been a lot of debate over how to classify alkaline hydrolysis. Is it "a form of cremation." Why or why not?*

We're puzzled by the definition debate. We believe this falls into the classification of cremation because we're reducing the body to its basic element of bone fragments but instead of the chemical catalyst CH<sub>4</sub> (natural gas) or C<sub>3</sub>H<sub>8</sub> (propane gas), we're using KOH (potassium hydroxide). Instead of flame, we're introducing 95 percent water, blended with a 5 percent alkali solution of KOH.

*Question: We keep hearing media reports that a St. Petersburg, Fla., funeral home will soon offer alkaline hydrolysis to the public. Can you give us the details?*

The emission test data and technical solutions are in the hands of the local St. Petersburg wastewater authorities, and we believe we've thoroughly answered every technical requirement and anticipate

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approval within the next few months. Because it's the first in the world within a funeral home (contrary to other reports), the City of St. Petersburg is being respectfully cautious about the impact it will have on their water treatment facility.

*Question: Tell us a little bit more about the arrangement between Matthews and Resomation. What are the potential rewards?*

Resomation came to Matthews Cremation to discuss an alternative approach to flame-based cremation that focuses on the environment. They understood our leadership position in the cremation market and history with champion environmental solutions. The invitation was to be their exclusive representative, and we've started in North America and are closely reviewing other strategic markets around the world. We purchase and import the stainless steel pressure vessel from Resomation and package with (it) all the ancillary components to make it a viable product in the funeral industry.

*Question: How many Bio Cremation units has Matthews sold? How much does each unit cost? How high is the interest among funeral professionals?*

Currently, we have numerous projects throughout North America in various stages of development. We field inquiries each week, but most are just curious funeral professionals or news media outlets. With cost, we don't hide the fact that the investment is roughly \$400,000, but this is a comprehensive figure (not just a vessel). I find it amusing when I hear these competitors coming out of the woodwork who claim to be 50 percent less. None of them have demonstrated a successful application for cremating humans, providing something suitable for funeral service or the technical expertise to get approved by local wastewater authorities. All I can say is "buyer beware."

*Question: If you had to guess where the adoption of this technology would be in 5 years, what would you say? How many people will be interested in this option?*

My crystal ball is a little cloudy, but if I had to guess based on my experience within the funeral industry, adoption will be cautious and slow. Consumers' preferences are what drive the creation/delivery of products and services, and this issue will be no different within our industry. The consumer is way out in front of us. We already have the early funeral pioneers who recognize immediately the opportunity to enhance their services while championing the environmental responsibilities within the community.

*Question: Will funeral homes adopt this technology without being pushed?*

We see this being driven by both a consumer lifestyle as well as the local environmental authorities. With our involvement in Europe, we are witnessing more and more requirements for filtration/abatement systems to address emissions from cremators. Even though these filtration systems are not a standard in the United States, we can't ignore the attention being placed on the environment and greater air emission restrictions being placed in select U.S. markets. We can't hide from the reality that every combustion device is under emission scrutiny, and we need to plan accordingly.

*Question: Aside from the unnamed funeral home in St. Petersburg, Fla., are you in discussion with any funeral homes in Maine or Oregon, where the process is also allowed?*

We are in discussion with several key clients in both states, but no one has bought a unit. For competitive reasons, they have asked to keep their names confidential. Keep in mind that the process for purchasing a Bio Cremation unit is similar to the purchase of a traditional flame cremator in the fact that you need both zoning and permit approval. We tend to find this type of due diligence comes first during the equipment investment process. We work closely with our clients in providing the necessary technical support so that they can make this a successful entity of their services.

*Question: Given that Minnesota and Colorado allow the process for institutional purposes, will these be the next states to allow the process for consumers? If not, where do you expect the process to make inroads other than California?*

Minnesota is certainly a key state because the technology is already established at the Mayo Clinic in Rochester, Minn. This has opened the door in Minnesota for those within funeral service to consider the opportunity. As for Colorado, we are reviewing the jurisdictional language with our lobbyists to make certain this technology is an acceptable application as we consult inquiring clients. We'll work with the funeral and advocacy groups to make certain we are all on the same page, supporting interests. We view both states as very active and probably equal or greater in the adoption phase versus where California is.

*Question: How meaningful could this process eventually be to the bottom line of your company? What is its potential?*

Matthews is the largest manufacturer of flame-based cremation equipment, and we aren't forecasting the Bio Cremation technology to replace our flame-based systems. Because there are no air emissions with Bio Cremation, this will open the door in markets where flue gas stacks are highly scrutinized and regulated. We are a total solutions provider for cremation products and services, and this is an eco-friendly alternative that supports the advancement of environmentally focused funeral services.

*Question: How important will this process's environmental benefits be for consumers and your death-care customers?*

Today, we live in a world that encourages us to protect and preserve our natural resources. We are developing lifestyle trends that encourage behavior to lower the individual's carbon footprint while at the same time reducing greenhouse gases and stabilizing climate change. What I find fascinating about this service proposition is how important the timing is as it relates to the funeral industry. We have an opportunity for funeral service to be in step with what is relevant in today's

### Interesting News About Alkaline Hydrolysis

- Alkaline hydrolysis applies a higher-than-normal alkalinity at a high temperature to speed up the natural decomposition process of tissue hydrolysis.
- The process generates amino acids, small peptides, sugars and soap. This solution can be flushed down the drain. Sandy Sullivan, executive director of Resomation, has also suggested in the past that the solution could be applied to land for horticultural purposes as it's rich in nutrients.
- The process releases no mercury.
- Resomation contends that its process costs 2 to 3 times less per body than cremation.
- Pacemakers can be left in place.
- Metal, jewelry and implants can be recovered intact after alkaline hydrolysis.
- Proponents of the process say that no casket or alternative container is required, which saves resources.
- After first sanctioning alkaline hydrolysis in a little-noticed provision of a larger bill, New Hampshire lawmakers later reversed course and banned the process until it could be studied further. Buddy Phaneuf, president of Phaneuf Funeral Homes & Crematorium, was one of those who took issue with allowing the process. He told us that in New Hampshire a body must be placed in a plastic pouch prior to cremation and must be delivered to the crematorium in a suitable solid container which must be cremated with the body. "My sources tell me that it may pose a problem to drop in a wooden container or casket in the resomation machine," he told us. "However, if it's regulated like cremation, then the same laws must be followed. You cannot pick and choose which cremation regulations to follow."
- Some funeral directors simply don't like the idea of alkaline hydrolysis. "I know when I visualize a loved one getting eaten away with lye, the image leaves an uncomfortable feeling in the pit of my stomach," says William "BT" Hathaway with Hathaway Family Funeral Homes in Fall River, Mass.

society, and (it provides) us an opportunity to charge a premium versus being viewed as a commodity. Success is always predicated on how the service provider incorporates this environmental service into its internal and external marketing strategy.

*Question: How hard is it to learn how to use these units?*

It's very simple. The equipment has an Intuitive Logic Control system with weight cells that automatically calculates the water and KOH mixture after the body is placed in the cremation chamber. The automatic cremation cycle completes the process in roughly two hours, and the bone fragments are removed, dried, processed and placed in an urn for the family to memorialize.

*Question: Among some funeral professionals, there seems to be a backlash against this process. Why?*

I haven't heard of a backlash; that sounds rather extreme and unproductive. I'm certain there is a curiosity and desire for more education, which is understandable. I've read plenty from "industry experts" who have done a masterful job providing bad information and using horrible terminology. I met with the state executive directors in January 2010 to provide a summary of our work. We have been invited and are speaking at nearly a dozen state conventions on the advancements of the technology, unveiling consumer research video on the subject we obtained from a recent independent study. I can't speak for my competitors, but anything Matthews does will protect the dignity and respect of our industry and the families that we serve.

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## **Batesville Buys the Intellectual Property of Memorial Solutions**

Batesville Casket Co. recently bought the intellectual property of Memorial Solutions, a website company that it contends will improve its array of technology solutions, according to Troy Brake, marketing group director and general manager of Batesville Interactive, which handles the company's technology offerings.

"While the name 'Batesville Interactive' is new, we've been providing technology solutions to funeral homes for more than 10 years and providing funeral home websites for more than five years," Brake says. "The Batesville Interactive team is solely focused on supporting the technology needs of funeral homes, ranging from back office software to arrangement software, to websites and other Internet applications."

### **Details on the Deal**

Batesville became interested in Memorial Solutions several months ago once it understood how well the company could customize websites. "As the funeral website business has matured, we have noticed an increasing segment of customers looking for more customized websites," Brake explains. He adds that Batesville was about to expand its own custom design capabilities when it decided the Memorial Solutions software would be a great addition to its portfolio. "We knew that this addition would give Batesville a broader offering that could effectively serve a range of funeral home needs from the simplest template site to a highly personalized design with sophisticated features to, now, a completely customized solution," he says. Brake did not disclose how much Batesville paid for the intellectual property.

Brake says that Memorial Solutions has been building websites for about five years. Its parent company, Polaris Graphics, Inc., was founded in 2004. According to Brake, it's "become one of the top funeral home website providers" and offers a combination of features, customization capability and outstanding graphic design. "While Polaris and their four employees have primarily focused on funeral service, they also provide websites and technical graphic services for other industries," Brake says. He

notes that Polaris graphics will remain a separate company and will continue to build websites for companies outside of funeral service.

Brake says that in addition to buying Memorial Solutions' intellectual property, Batesville has also entered into a long-term agreement with Polaris to continue to provide technical support, development and design services on a consulting basis. Brake says that Memorial Solutions customers should only notice minimal changes as a result of the deal. He did not say how many customers the company has, but he notes:

- Websites will continue to have the same content, services and site design. Sites will continue to be at the discretion of the site owner.
- Domain names will remain the property of each customer, but they will be transferred from Polaris to the customer's account or registered on their behalf by Batesville.
- The Memorial Solutions website offering will continue to be offered in its current form with no reductions in features or functionality.
- Feature enhancements will be offered from time to time and made available at each customer's discretion.
- New memorial designs will be released on an ongoing basis.
- Customers' current monthly pricing will remain in effect for the foreseeable future.
- Support and billing will be transitioned to Batesville within the next few months.

Brake adds that Batesville will work hard to earn the trust of its new customers. "We have been dedicated to the success of the funeral home channel for over a hundred years; we succeed only when funeral homes succeed," he says. "Technology is just the latest way that Batesville is bringing resources to bear to improve the breadth and quality of offerings available to funeral homes to better serve families."

### Reaction to the Deal

Alan Creedy, president of Trust 100 and a consultant with Johnson Consulting Group, says Batesville has a consistent track record of augmenting its focus on caskets to further serve clients. He adds, "It's a matter of public record that Batesville does not see a rosy future for the box business. Like any good company, they are probably trying to diversify and are following some pretty strong wisdom that brand extensions need to stay close to the space they currently occupy to be successful."

Bryan Chandler, owner of Chandler Funeral Home & Cremation Service in Caldwell, Ohio, says he's been using Memorial Solutions for several years. "The two owners are very knowledgeable and quick to pick up the phone personally anytime I call," he says. He says the company has become known for

### Alan Creedy: Re-Emphasize the Internet

Alan Creedy, president of Trust 100 and a consultant with Johnson Consulting Group, says most funeral homes and death-care companies still have a long way to go when it comes to the Internet. Many sites are "nothing more than brochure ware," he says.

Funeral homes need to ask why customers are visiting their websites, Creedy says. "I find little if any evidence that our industry is even thinking about that question," he says. One company whose website is top notch is Homesteaders Life Co., Creedy says (which was recently redesigned). "This is not an endorsement of Homesteaders – just an example of someone who gets utility versus brochureware," he says.

Visit [www.immersionactive.com/carolsw eb](http://www.immersionactive.com/carolsw eb) to view a demo that shows how baby boomers interact with the Internet, Creedy urges. "It is by far the most interesting and accurate lesson I have ever taken in less than 10 minutes," he says.

asking for no upfront charges – unlike some companies that want thousands of dollars before doing any work. “Their monthly fee is a little larger than some but well worth it,” he says.

Although Chandler is happy with the service he’s received from Memorial Solutions, he’s skeptical about Batesville. “I hope that Batesville doesn’t dumb down the sites to be similar to other products they offer,” he says. “I have spoken to the president of Memorial Solutions and was assured this wasn’t going to happen. His explanation was that their company had experienced such exponential growth, (and) they simply couldn’t keep up. Their offerings are far superior to anything Batesville currently offers so I can see their interest.”

Some people, including Chandler, speculate that the Memorial Solutions deal might have been more attractive to Batesville after the Federal Trade Commission approved SCI’s acquisition of Keystone North America. A number of Keystone locations did business with Memorial Solutions. “So maybe they saw it as a way to retain that business,” Chandler speculates.

David Nixon with Nixon Consulting in Chatham, Ill., says that he’s heard chatter from some Memorial Solutions customers who are not fans of Batesville. “It seems that if you don’t like Batesville, you will be leaving MS. If you like Batesville, you think this is a fine idea,” he says.

Nixon agrees with Creedy that it makes sense for Batesville to continue diversifying. “Caskets are quickly becoming an undifferentiated product/commodity in the eyes of more funeral directors, but the ability to add extra service value can help them capitalize on their market leader position,” he says. “Of course, those who are diehard anti-Batesville will always cite their growing monopoly on funeral service. Time will tell if the added-value concept will work for Batesville.”

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## **Cemetery Directors Conference to be Held in Las Vegas on Nov. 16**

Cemetery professionals nationwide are already signing up for the Cemetery Directors Conference, which will be held Nov. 16 at Caesars Palace in Las Vegas. (This conference is separate from the Funeral Service Business Forum, which will also be held in Las Vegas, Nov 17-19. Combination operations are encouraged to attend both conferences.)

With families increasingly opting for cremation, green burial and other options, many cemeterians are caught wondering what they need to do to book more profits and ensure future success. Discover the steps you need to take now at an event featuring some of the nation’s top cemeterians, planners and thinkers.

Organized by Kates-Boylston Publications, the publisher of American Cemetery magazine (and also Funeral Service Insider), the conference will help you incorporate green and pet burial sections into your cemetery, maximize the value of your cemetery business, use space effectively and profitably, provide better service to families and cut costs using technology, connect with and serve more veterans, improve community outreach efforts and much more!

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Thomas A. Parmalee, Executive Editor

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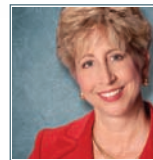
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