

September 29, 2008
SALES AND SERVICE SEMINAR

Seminar Attendees Consider Salary vs. Commission Sales



Rich Peterson and Rick Touchette share two different approaches to cemetery marketing and pre-need sales efforts - commissioned vs. salaried staff. Peterson's views are as follows:

“Point - Counter Point”

*as presented at the CCC Sales & Service Seminar
September 29, 2008, in Orlando FL*

— by Rich Peterson, CCCE, Archdiocese of Seattle



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Editor's Note: The following was revised by Rich Peterson from the original presentation on October 21, 2008 for inclusion in *Catholic Cemetery* magazine.

When our fiscal year closed on June 30, we had recorded our best sales year ever. That is against the backdrop of a faltering economy, housing market slump, and high gas prices. Someone asked: “What do you attribute it to? Just luck?” I said: “No. It is the result of a lot of hard work.” Who did the hard work? Catholic cemetery Pre-Need Sales Counselors who are compensated by a “fee for service” which is often called commission.

By way of introduction: we have four cemeteries, which perform between 920 - 950 burials per year. The Archdiocesan Catholic Cemeteries have had an outside Pre-Need program since 1971. Of 40+ employees, 15 (or about 1/3) are compensated on a “fee for service” basis (commission). We have embraced Pre-Need. We are a Service, Sales, and Outreach ministry.

The Archdiocese of Seattle comprises the western third of Washington State - more than 26,000 square miles. Of the 300 miles north to south, the Archdiocesan cemeteries are all situated in the greater Seattle area, serving an area only about 50-60 miles north to south which consists of some 50

parishes out of a total of 175 parishes in the Archdiocese. The area served by our cemeteries also has geographic challenges: lakes, waterways, and traffic congestion. For many people, depending on the parish, the closest Catholic cemetery in our service area is a 40 or 50 minute drive one way.

The total population in the area served by our cemeteries is about 1.5 million people. Washington, along with Oregon, are known to be the most “unchurched” states. Sixty-six percent of people claim no church affiliation. The largest denomination is Catholic which makes up approximately 10-12%. We estimate that there is another 10% of the population that are

Catholics who are not registered in a parish. Outreach to the Catholic community can be challenging when statistically only 1 or 2 households out of 10 have any connection (from active to marginalized) to the Church.

In 1960, prior to the changes of Vatican II, 70% of Catholics in our area used the Catholic cemetery. By 1985, with an "it doesn't matter where you are buried" mentality, this number was down to under 30%.

Since that time, cremation has increasingly become the choice for most people in Washington State. Cremation is now chosen in more than 65% of all deaths. Last year 36% of our burials were of cremated remains.

Burials at the Archdiocesan cemeteries have increased about 20% in the last 20 years. Today, we bury about 50% of the deaths reported by the parishes in the area we serve. We have accomplished this because 80% of the burials were in burial property arranged pre-need. At the same time, while the population of our area is growing, the number of deaths being reported by the parishes is declining. In addition Catholic cemeteries are not available to the majority of the Catholic people in the Archdiocese.

The Pacific Northwest is known as that place where people come to get away from whatever they are trying to get away from. Words such as "rugged individualist" or "she did it her way" come to mind. The overall culture is secular humanism with a bit of "live and let live" thrown in for good measure. Stereotypically, anything that looks like it may be authoritarian is suspect. The population tends to be very mobile. Ties to a particular neighborhood or community generally do not exist. Multi-generational heritage is rare. This means that concepts such as "family tradition," "heritage," and the like have little resonance in general. The current generation is really the first whose parents may also have been born here. (Not including Native Americans, of course.)

All of this has a direct bearing on the experience of Church. In this context,

it does not surprise me that Church affiliation is among the lowest in the nation and cremation rates are among the highest.

The Vision Statement of the Archdiocese, *A Future Full of Hope*, includes the following statement:

"Entire generations of Catholics have not received the necessary spiritual formation and teaching to provide a firm foundation in the faith."

Who better than the Catholic cemetery to teach the value of the Catholic burial tradition, the reality of the Communion of Saints, Jesus' resurrection and our hope in our own resurrection? We can't wait for them to come to us because odds are that they won't. So, we compensate our staff to go out to them.

On the flip side, the Pacific Northwest is experiencing growth of various multi-cultural communities, particularly from Latin America and Asia, including Viet Nam and Korea. While large numbers of these people may be new to the area, they do bring with them a strong sense of family, a commitment to the Church, and value the traditional role of the Church.

We Have Competition. Do You Too?

The majority of the funeral homes in our area are either located at a cemetery or are owned by an organization that also has a cemetery in our area. When a death occurs, the first phone call made is to a funeral home. Odds are that the funeral home has a cemetery. Hopefully, a second phone call is made to the Church. The question is: "Will there be a third phone call to the Catholic cemetery?" All of the conglomerate and combination operations have outside sales forces that are active in the community.

In 1998 the first Veterans Cemetery opened in Washington State. Of course, it is near Seattle and the area served by the Archdiocesan cemeteries.

Western Washington does have a military heritage: an Army base, an Air Force base, and two Navy bases.

Free burial is provided for the veteran, his or her spouse, and minor children.

Cemeteries - One of Many Options

The overall attitude about cemeteries can be summed up as "cemeteries are no longer needed; they are simply one of many options." The prevalence of cremation, along with the pluralism of the area, contributes to this.

When people say they are going to be cremated, what they are also saying is that they don't need a cemetery. Of course, the Catholic Church doesn't teach that. But, if representatives of the Catholic Church do not provide the information and education, from whom will they get it? And when? If it is at the time of a death, it is most often too late. Decisions may be made in haste, or to follow the deceased's voiced wishes, but not necessarily within the context of the Church or its teachings.

While I have never done it, I am convinced that if the words "free graves" were posted on the cemetery fence, no one would come in. But, then again, our Pre-Need program is not simply about selling graves. It is about providing information to Catholics about the benefits of pre-planning their burial in sacred ground. It is about peace of mind well before the time of need. It is about making a statement of love for one's family and growing in one's relationship with God when reflecting on your mortality.

As Jesus said in Matthew's Gospel: "You are the light of the world." (Matthew 5:14) Also, in the great commission Jesus told his disciples: "Go, therefore, and make disciples of all nations." (Matthew 28:19) I believe that we accomplish our goals of Church ministry and Church business through the outreach of commissioned counselors.

One of our fundamental goals is to get information about the benefits of burial in a Catholic Cemetery to every Catholic household, regardless of where they are in their relationship with the Church.

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Sales and Service Seminar, continued

Given the market challenges that I have already mentioned, this is not an easy goal. It requires individuals who are motivated.

Our Pre-Need program is a Service, Sales, and Outreach ministry. Our program assists in ensuring the long-term viability of two areas: ministry and finance. It is important that the information provided is Catholic. Regular review and training of staff is important because not all of the pre-need staff is Catholic. But, the cemetery staff represents the Catholic Church when contacting people. For many people, this may be the only direct contact they will have with anyone from the Church. We have even been told that.

As I have alluded to earlier, one of our goals is that the Catholic cemetery is Pre-Need focused. Yes, we bury the dead. But, when 80+% of the burials are the result of pre-arrangements, and it is arguable that not all of those people would have chosen the Catholic

cemetery at the time of need, we have an attitude that our cemeteries are about pre-need. Again, if the family may not make the third phone call (the one to the cemetery), then to ensure that we will have the opportunity to serve them, we must make the first contact. Each family who makes pre-arrangements with us receives a thank you letter from the Archbishop. It reads in part: *"Your decision is not only a witness of great love for your family, but also a significant faith statement. Our Catholic Cemetery tradition testifies to the sacredness of life and our hope as a people rooted in Resurrection Faith."*

Yes, we need to generate revenue. And it needs to be relatively consistent. Operating costs, such as labor, fuel, maintenance, repairs, continue to increase. And, if we want to develop new burial areas or mausoleums, or upgrade irrigation systems, it all takes money. In addition, we also work to support other ministries of the Archdiocese. This provides good will, good public relations, and we are one agency of the Archdiocese helping

another. As I have told staff: "Part of our ministry is making money so that the Archbishop has money available to assist him with his other pastoral priorities."

Cash flow is always a consideration. Our Pre-Need program provides us the opportunity to have more control on the revenue stream. Last fiscal year 79% of our revenue was generated in pre-need.

And, of course, a goal is to enhance customer service with those we serve and to promote positive public relations within the community, and the pastoral leadership.

Since we know that not all Catholics are registered in a parish, we feel that our program of service, sales and outreach provides us with the opportunity to contact them when they come to the cemetery at the time surrounding a death. We represent the Church because we are the Church. So, we are out in the community at their doors and on the phone. This includes evenings and weekends.

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The majority of sales take place away from the cemetery. Most take place in the person's home. Since staff is compensated by commission, their success is measured by their sales. However, high pressure tactics are not permitted. Complaints are very rare. In fact, we encourage families to send a thank you note to their pastor. Every month a dozen or more thank you notes are sent by those we have served.

We use a variety of lead sources:

- The parish list with the permission of the pastor,
- Coupons returned from advertising (such as bulletin inserts, the Catholic paper, religious calendars),
- Inquiries from our Website.

The counselors themselves are expected to canvass for leads. Referrals from families served are encouraged. It is our expectation that this raises awareness of the Catholic cemeteries in the community increasing our visibility.

Our partnership with parishes does not end with permission to use the parish list. A letter is sent to the parishioners by the pastor announcing to them that representatives from the Catholic cemeteries will be contacting them. Pastors are asked to make space available in the bulletin and to make pulpit announcements. Over time pastors have invited us to offer a reflection on the Catholic cemetery at Mass. This is often done in conjunction with a parish based workshop on the value of end of life planning which parishioners are invited to attend.

So why pay commission? Many people seem to associate the word "commission" with a negative sales experience. In reality, if a sales person and a sales program are going to be successful, it cannot survive on a few sales made to unhappy or dissatisfied people. That provides a short-term benefit with no long-term future.

Our experience has shown that excellence is rewarded, and an entrepreneurial spirit is fostered. We encourage the staff to help each person explore their needs and then have us go to

work on their behalf to help them with those needs. In that way the sales staff is paid when they have done a good job for those people they serve. They are working for them.

There are costs associated with our Pre-Need Sales program. In addition to sales aids, materials and training there are commissions and overrides. We feel that the overall benefits we receive from the program make this a worthwhile investment.

In addition to commission costs, if the counselor has achieved full-time status, there are also benefits costs. We also have a volume based bonus program to reward excellence.

There can be challenges with a sales organization. Here are a few:

Hiring: It is often challenging to find qualified applicants for sales positions. We place employment ads in a variety of places: newspapers, online, Craigslist, etc. We also offer a recruitment bonus to staff. But, there are times when we get very few or no responses. And, like with any position, not everyone who applies is qualified; or they want a position where they can simply fill orders; or they want the security of a paycheck rather than the ability to determine their own compensation level.

Training and Motivation: While initial training is essential, to remain successful and to ensure that the program remains on track, regular training is required. Topics range from the proper way to complete paperwork, clarification of payment terms or policies, to motivation, to how to education about the Catholic funeral rites. This means meetings. Meetings take time.

Retention: Keeping good sales people can be a challenge. But, we have been fortunate. Our current sales staff range in longevity from 7 months to 23 years. The average length of service is 7 years. Having said that, we often hire 3 or 4 people to find the one person who stays. The job is not an easy one. It is filled with lots of rejection. Imagine being told "No" 200 or 300 times before you make one sale.

Complaints: We offer a product that nobody wants and a topic that everyone wants to avoid. So, yes, on occasion there will be a complaint. But, I will say that they are very few and far between. Since the pastors have entrusted us with their parish list, it is important to address complaints. Priests are people too. They will remember the few complaints and not necessarily know about the parishioners who are really appreciative for the service we provided at the pastor's invitation. We have found that the thank you notes to the pastor are of great benefit.

Keeping the program on track: Entrepreneurial people are full of enthusiasm, energy, creativity, and their own ideas. These are great gifts. But, we want them to be working our program and not their program. Open communication and regular meetings can help in this area.

Payroll complexities and benefits: Unlike salaried or hourly employees, commissioned staff do not receive a consistent paycheck. This means that there must be procedures in place to establish dates when new purchase agreements are due to make payroll cutoff, how residual commission is paid, and the like. Computers do come in handy.

As I said at the beginning, our Catholic cemeteries are a Service, Sales, and Outreach ministry. I am convinced that our staff who work on a "fee for service" basis serve as ministers in and for the Church. They work on behalf of the families they serve to identify their needs and ensure that those needs are met.

Rich Peterson's presentation included the pros and cons of a commissioned pre-need sales staff based on experiences in his Archdiocese. Rick Touchette's experience with pre-need personnel as salaried staff positions will be presented in the January issue of *Catholic Cemetery*.

Rich Peterson may be reached at 253.874.1067 or by email at richp@acc-seattle.org.