

Funeral Co-op Feasibility Study Findings Report

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taktika

sustainability strategies

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1. Executive Summary

The Calgary Co-operative Memorial Society has 23,000 members for which it referred over 700 funerals a year to subcontracted funeral service providers. As the Calgary and area funeral sector is one of the most profitable in Canada, both anecdotal and statistical data indicate a healthy market demand exists for affordable market funeral services in the Calgary area.

Given the strong membership base of the CCMS, and experiences of other memorial societies that have transitioned to become operators, keeping pace with demand would likely be a larger issue versus the need to find clients. The interviews and industry trends analyzed during the course of this study indicate that purchasing an existing facility would help the CCMS avoid some of the pitfalls that have faced other organizations starting new memorial business ventures. Rather than learning as they go, a purchase of an existing facility would combine the current business of the funeral service being purchased as well as being the first point of service for the 700 plus yearly funerals CCMS has historically referred.

The investment required for a buy-out would range from approximately initial investment of \$400,000 should CCMS begin a graduated share purchase of an existing funeral service to \$10 million for a complete buyout of an existing facility. Possibilities may exist to pursue the buy-out option with several older independent funeral homes located in Calgary or Lethbridge, where CCMS currently has a strong membership base.

2. A fictional, but not uncommon story

Jonathan and Maggie were distraught, as their mother, Judy, had died suddenly from complications from a broken hip. Though 75, she had been relatively healthy but the break led to a virulent infection and she passed away after only a few days. While her death was unexpected, they had planned for it. Judy had been a practical woman, and not wanting to burden her family, she had bought a prepaid funeral package. It was a simple package - a direct cremation and modest memorial service for \$3,500. As she lay in her hospital bed, fighting hard but moving towards acceptance of death, Judy discussed funeral plans with her children. "It is all paid for, don't worry about it and don't make a fuss!" Respectful of their mother, Jonathan and Maggie assured Judy they would respect her wishes.

The day after Judy's passing, Jonathan and Maggie met with the funeral director. "My condolences to your family," he said reassuringly. "Your mother was a fine woman and took care of things. She has a basic package here with a small service, and cremation. It is frugal, just like your mother was. Here are the options offered in her package."

The director shows Jonathan and Maggie the basic urn and show room. Jonathan and Maggie nodded, both brimming with tears.

“You obviously loved your mother greatly and she planned ahead. Most people who plan ahead for their funeral and took care of her family. She took care of you well, didn’t she?”

Jonathan and Maggie began a slow sob.

“Your mother clearly wanted the best for you. This is what your mother wanted for her funeral. She has passed on and gone to a better place. You clearly have a great love for you mother. But is this what you want?”

“She likely sacrificed a lot of herself for you, how would you like to show your respect for you mother?”

Thankful for the support and kindness of the funeral provider, Jonathan and Maggie ended up with a funeral costing \$12,000.

Please note that this example is very common. It should also be noted that a great number of funeral directors are very respectful. However, intentionally or not, over 60% of prearranged funeral packages are later up-sold to include additional services and more expensive options.

Co-operative funeral providers can reduce the costs of funeral services, by putting people before profits in times of distress. Calgary Co-operative Funeral Services could provide a unique community-owned option to standard funeral practices.

3. Background

The Canadian funeral industry has undergone a great deal of change over the last decade, marked by industry consolidation as well as changes in market and consumer demands. Over this time, the cost of funeral services has increased significantly for consumers, and a small group of large corporations have begun to dominate the funeral market, traditionally dominated by small independent businesses.¹ These changes have resulted in consumers having fewer options for service providers, while facing increasing costs. Given the sensitive context and unique nature of memorial services combined with distant corporate ownership, there is a risk that consumers could be taken advantage of financially during a stressful time surrounding death.

The Calgary Co-operative Memorial Society (CCMS) aims to ensure people in the Calgary area have access to humane and affordable memorial services. The organization is a non-profit

¹ Death and Dying In Canada 2nd Ed. 2008. Northcott, Herbert & Wilson, Donna. Broadview Press.

member-owned co-operative whose main role is to negotiate funeral plans and special prices with contracted funeral providers on behalf of members. The change within the funeral industry has led the CCMS to consider new ways to meet their goals, including the option of operating a memorial business to ensure they can meet the needs of the Calgary community.

In 2009, the Federation of Funeral Co-operatives of Quebec completed an initial feasibility study of the Calgary funeral market. The results of the study concluded that Calgary is one of the most attractive markets in the country to start a funeral co-op. The report suggested the establishment of a new, full service co-operatively owned funeral home. Developing a business as a new service provider could be daunting, and the CCMS decided to explore the funeral business in greater detail. The organization used a grant provided by the Co-operative Development Initiative to commission the following feasibility study, to explore the local industry opportunities and market conditions in the Calgary area.

4. Approach & Methodology

The feasibility study was undertaken with the following aims;

- to assess the current gaps in the Calgary area funeral market,
- to identify the opportunities for CCMS to broaden their services,
- to estimate the cost-benefit analysis of developing a funeral business,
- to provide the steering committee with the total capital investment needed to start a funeral business, and
- to gauge the level/type of involvement available from CCMS partnering co-operatives and The City of Calgary Cemeteries.

The results and recommendations found in this feasibility study are the results of a number of research elements including:

- key interviews with professionals in the funeral industry such as funeral directors and staff of existing and planned funeral co-operatives,
- a review of six business plans for operating and/or planned funeral co-operatives in different markets,
- an analysis of the Canadian funeral industry's performance and trends using Statistics Canada data,
- a consumer survey (see Appendix A: Survey Results), and
- feedback from CCMS board and stakeholders on a summary of initial findings.

5. Market Assessment

The memorial services industry in Canada is financially healthy, and profitable. Provincially, Alberta is the second most profitable province in Canada, earning an average return on investment of 14%.² Canada, like many industrialized countries has a large aging population. In Alberta, approximately 10% of the population is over the age of 65. While Calgary is younger than the average Canadian population, 35.7 years of age compared to 39.5 years of age nationally, a large older population group still creates a strong demand for memorial services. Despite this strong demand for memorial services, Alberta has a low ratio of service providers relative to the population. In the cities of Calgary and Edmonton, there is only one service provider for every 45,000 people.

In the City of Calgary, an estimated 5,400 people die annually. Calgary currently has five full service memorial companies, as well as a handful of direct cremation companies that serve the Calgary market. Within the Calgary market, there are currently no funeral service providers located in the southwest (Ward 13) or southeast (Ward 12) areas of the City. These two areas are some of the fastest growing population clusters in Calgary. In the case of the southwest ward, it contains a concentration of higher income communities. The Northeast (Ward 3) may also be underserved. These areas offer significant opportunities for service development.

The average cost for a funeral or memorial service in Canada has slowly increased over the last decade, and currently ranges from \$6,000 to \$10,000. The consumer survey conducted during for this study indicated that the majority of consumers estimate that they would spend between \$3,000 and \$5,000 on a memorial service. This indicates that there is a strong demand for affordable options in the Calgary funeral market.

In markets where co-operative funeral businesses have been established, the market prices for memorial services have been driven downwards. This indicates that the presence of funeral co-ops can help to ensure the market remains competitive and affordable.³

The evolution of social culture has led to changes in consumer preferences in the memorial services market includes a strong increase in demand for cremation services, environmentally friendly memorial services, assistance with death-related documentation, as well as non-traditional memorial services. In Alberta, approximately 60% of deceased individuals are cremated, and this number continues to rise annually. Environmentally friendly services may include avoiding embalming, environmentally conscientious burial sites, and biodegradable caskets. Non-traditional services could include holding a memorial service at a personally selected location, webcasting the service, or commemorating a person using a website. Consumer interest in these niche services has been increasing over the last decade. Despite this, many service providers continue to offer traditional services, without broadening the array of options offered. The consumer survey conducted during this feasibility study indicated strong interest in these services in the Calgary area, which illustrates opportunities for niche market developments.

² Statistics Canada. <http://www.statcan.gc.ca/pub/63-240-x/2010000/t003-eng.htm> Downloaded December 27th, 2010

³ Based on interviews with funeral co-op directors in Seattle, Quebec and Nova Scotia.

6. Options & Opportunities

The recent changes within the Canadian memorial industry, including increasing amalgamation and prices are likely to continue into the future. Consumer demands regarding memorial services are evolving to include the non-traditional services mentioned previously. These changes are opportunities for CCMS to meet the needs not currently being met by most established operators. There is widespread demand for affordable memorial services, which is another opportunity for CCMS. The low ratio of service providers, combined with current and future demographic information in Alberta indicate there is room in the Calgary market for a new service provider.

A review of business plans for funeral co-operatives in other markets indicates that a funeral business would need to conduct approximately 250 funeral services annually in order to cover all operating expenses. In 2009, CCMS made over 700 referrals to its contracted funeral providers. The Society has approximately 23,000 members.

How can the Memorial Society help to fill the gaps in the market, and take advantage of these opportunities? In order to make sense of the array of options, the board of CCMS was presented with three distinct strategic options:

1. Develop basic retail funeral services: offering limited range of funeral arrangements through a small retail venue while continuing to contract out most services.
2. Build a new full service funeral business.
3. Invest in a full purchase or graduated buy-out of an existing business.

6.1 Basic Retail Funeral Services

One option for the CCMS would be to start a memorial business offering arrangement service, while contracting out all other memorial services. This would entail securing a location and hiring a funeral director, who would assist family with planning and arrangements. The services offered could include completion of appropriate documents, body transportation, arranging venues, transportation for the funeral party, floral service, etc. This service would require a store front presence and should at minimum include a reception or administration area, display area, as well as a private client meeting room. While the director and support staff could arrange all the services, the actual services ranging from embalming to burial, would be subcontracted to existing service providers.

Becoming a limited service provider has the benefits of relatively low initial investment requirements, and the ability to deal with the high demand for memorial services that would exist as a new provider.

The potential downfalls of offering limited services could include losing a current contracted service provider or developing tension with these providers. CCMS may also miss key opportunities to fill current service gaps, and the requirement for contractors would keep the Society dependent on other providers and pricing. It may prove difficult to develop a workable arrangement with CCMS current contracted providers.

The consultants estimated that establishing an arrangement service operation would require an initial capital investment of approximately \$400,000, assuming the use of a leased facility. This approximation includes the cost of purchasing office furnishing and administrative equipment, facility renovations, start-up expenses related to regulations and incorporation, advertising, as well as working capital to cover cash shortfalls until the business achieves profitability.

The initial investment capital could be raised via share issues in a for profit co-op or via business loan, or a combination there of.

Estimated Start-up Capital Needs⁴

Leasehold Improvements to Premises	\$60,000
Furniture & Equipment Purchase	\$50,000
Business start-up; investment offering, incorporation, licensing	\$55,000
Start Up Printing & Advertising	\$70,000
Working Capital	\$120,000
Miscellaneous	\$40,000
Total Start up Requirements	\$395,000

⁴ These numbers are based partly on reviews of business plans for similar services provided in confidence from John Eric Rolfstad, People’s Memorial Society, Seattle, and Blair Hamilton, Winnipeg Funeral Cooperative Project.

The table below illustrates annual operating expenses and revenues, based on estimated numbers of funerals purchased. For example, the business would operate at a net loss if it completes 200 funerals or less annually. However, the operation would earn approximately a 1% profit once 300 funerals were completed. Based on the number of referrals CCMS currently makes annually largely drawing from the existing membership, the organization could feasible complete 300 funerals annually.

Estimated number of Funerals/year	200	300	350	400	450
Average Charges per funeral	\$6000	\$6300	\$6615	\$6946	\$7293
Subcontracted Services (80% of charged rate)	\$4800	\$5040	\$5292	\$5557	\$5834
Revenues minus subcontracts	\$1200	\$1260	\$1323	\$1389	\$1459
Revenues minus subcontracts	\$240000	\$378000	\$463050	\$555660	\$656373
Profit/Loss from Previous Year - Taxes (17%)		-\$10102	\$1592	\$49224	\$70540
Initial Working Capital Injection	\$120000				
Total Cash in	\$360000	367898	\$464642	\$604884	\$726913
Salaries (10%+ year 2, 20%+year 3, 50% year 4, 20% year 5)	\$140000	\$154000	\$184800	\$277200	\$332640
Benefits	\$30800	\$33880	\$40656	\$60984	\$73181
Lease/Utilities (\$4/sqft @ 1200 sq. ft x 12 months)	\$57600	\$59328	\$61108	\$62941	\$64829
Advertising	\$50000	\$25000	\$25000	\$25000	\$25000
Debt Service Costs	\$93772	\$93772	\$93772	\$93772	\$93772
Estimated Operational Costs	\$372172	\$365980	\$405335	\$519897	\$589422
Profit Loss	-\$12172	\$1918	\$59307	\$84988	\$137492
Profit Margin	-3%	1%	13%	14%	19%

6.2 Build a new full service funeral business

CCMS could consider entering the funeral market by starting a new funeral service operation. This could involve the purchase and renovation of a closed funeral facility, the purchase and renovation of an existing building, or the design and construction of a completely new building.

The benefits of starting a new venture would include the ability to retain the highest amount of earnings by offering services in-house, and it also allows the greatest degree of control to CCMS in terms of service quality, range of services provided, as well as costs and prices.

The challenges of starting a new business are similar to those facing any start up, however the organization benefit from having a large captured market among the CCMS membership. Starting a new funeral business is a costly option, depending on the facility and size of the operation. A new business also requires approximately one year of 'start up' for construction and development of the business.

The initial capital investment required would range roughly from \$3.5 to \$10 million, depending on the facility development options chosen; choices ranging from new building to purchasing an existing location, as well as the size of facility developed, and the corresponding staffing

requirements. Due to the larger capital requirements of this venture option, a larger number of funerals would need to be completed annually, to cover operating as well as debt expenses.

The following financial projections assume a cost of \$4,000,000 to build a new funeral home.

Estimated Start-up Capital Needs

Business Purchase	\$4000000
Furniture & Equipment Purchase	\$40000
Business start-up; investment offering, incorporation	\$90000
Start Up Printing & Advertising	\$70000
Additional Working Capital	\$160000
Miscellaneous	\$30000
Total	\$439,0000

Estimated Cash Flow Over 5 Years

Estimated number of Funerals	400	450	500	550	600
Average Funeral Charges (+%5/year)	\$6000	\$6300	\$6615	\$6946	\$7293
Revenues (plus 160K in initial working capital)	\$2560000	\$2835000	\$3307500	\$3820163	\$4375823
Salaries (10% + Year 2, 20% increase Year 3,4,5)	\$310000	\$341000	\$409200	\$491040	\$589248
Benefits	\$68200	\$75020	\$90024	\$108029	\$129635
Supplies, Transport, Vehicles, etc. (50% of revenues)	\$1280000	\$1417500	\$1653750	\$1910081	\$2187911
Building/Utilities	\$32000	\$32960	\$33949	\$34967	\$36016
Advertising	\$25000	25000	\$25000	\$25000	\$25000
Financing (Debt/share dividends)@6%	\$1042170	1042170	\$1042170	\$1042170	\$1042170
Estimated Operational Costs	\$2757370	2933650	\$3254093	\$3611288	\$4009980
Profit Loss	-\$197370	-98650	\$53407	\$208875	\$365842
Taxes	\$0	\$0	\$9079	\$35509	\$62193
EBITA	-\$197370	-\$98650	\$44328	\$173366	\$303649
Profit Margin	-7%	-3%	2%	6%	9%

6.3 Full purchase or graduated buy out of an existing business

The Memorial Society could become a full service provider, through acquisition of an existing funeral business operator. CCMS could consider enter the industry via buying an existing funeral business in totality or gradually overtime. This could be pursued by approaching those funeral homes whose owners are approaching retirement with no clear succession plan, or

independent funeral homes which have rejected buy-outs by funeral conglomerates but who may be interested in the co-operative model.

Becoming a full service provider has the benefit of retaining the highest amount of the earnings to CCMS, ensures CCMS can provide services rather than being dependent on contracted providers. The buy-out option offers the benefits of; immediate access to an existing market combining CCMS clientele with the existing client base of the operator, and ensures CCMS has direct control over the full range of funeral services including the quality of services and profits.

The challenge of purchasing an existing operator is the higher capital investment required, relative to some of the other options. The investment required for a buy-out would range from an initial estimate of \$400,000 should CCMS begin graduated share purchase of an existing funeral service, to \$10 million for a complete buyout of an existing facility. The large range is due to the variety of factors involved in starting an operation, the size of the facility being bought out, how many facilities would be operated, the renovations undertaken, and what range of services would be completed in-house or contracted out. Key informants have suggested there may be the potential to pursue such a buy out with a couple of older independent funeral operators in Calgary. An opportunity has also arisen for the potential purchase of an existing provider in Lethbridge.

The following example financial projections are based on the following assumptions;

- Initial sale price of \$3,500,000
- \$1,000,000 initial payment
- \$500,000 per year to pay out the balance over 5 years

Estimated Start-up Capital Needs

Initial payment to owner	\$1000000
Furniture & Equipment Purchase	\$60000
Building renovations/improvements	\$120000
Business Start up - Investment Offering, incorporation, licensing	\$90000
Start Up Printing & Advertising	\$70000
Miscellaneous	\$70000
Total Start-up Requirements	\$1410000

Estimated Cash Flow Over 5 Years

Estimated number of Funerals	300	400	500	550	600
Average Funeral Charges (+%5/year)	\$6000	\$6300	\$6615	\$6946	\$7293
Revenues	\$1800000	2520000	3307500	3820163	\$4375823
Salaries (10% + Year 2, 20% increase Year 3,4,5)	\$310000	\$341000	\$409200	\$491040	\$589248
Benefits	\$68200	\$75020	\$90024	\$108029	\$129635
Supplies, transport, vehicles, etc. (50% of revenues)	\$1080000	\$1386000	\$1653750	\$1910081	\$2187911
Utilities/Maintenance	\$20000	\$20600	\$21218	\$21855	\$22510
Advertising	\$25000	\$25000	\$25000	\$25000	\$25000
Financing (Debt/share dividends)@6%	\$334729	\$334729	\$334729	\$334729	\$334729
Graduate payout	\$50000	\$500000	\$500000	\$500000	\$500000
Estimated Operational Costs	\$1887929	\$2682349	\$3033921	\$3390734	\$3789033
Profit Loss	-\$87929	-162349	\$273579	\$429429	\$586790
Taxes @ 17%	\$0	\$0	\$46508	\$73003	\$99754
EBITA	-87929	-162349	227071	\$356426	\$487035
Profit Margin	-4.88%	-6.44%	6.87%	9.33%	11.13%

Recommendations

The results of the feasibility study suggest that entering into the memorial industry as a service provider is a great opportunity for CCMS. It could allow the organization to broaden the array of services to meet the changing demand of the public, to enlarge the client base of CCMS, and to ensure the sustainability of affordable and humane memorial services in the Calgary area.

As outlined earlier in the report, there are a number of options available for entering the funeral business. **The authors of this study recommend purchasing an existing business. This option offers a relatively low level of risk to the organization in terms of starting a new funeral business**

A healthy market demand exists for affordable and niche market funeral services in the Calgary area. Given the strong membership base of the CCMS, and past experiences of other memorial societies that have transitioned to become operators, keeping pace with demand would likely be a larger issue versus the need to find clients. The interviews, as well as the industry analyzed during the course of this study indicate that purchasing an existing facility would help the CCMS avoid some of the pitfalls that have faced other organizations starting new memorial business ventures.

The next step in pursuing a memorial business venture, regardless of the option chosen, would be to complete a detailed business plan. This would include

1. Results of a direct approach to current funeral businesses in CCMS service area (including Lethbridge) for initial exploration of the buy-out options.
2. A detailed capital needs assessment and budget based on potential purchase costs and buy-out options.
3. Determining the range of services to be provided and the corresponding staffing and facility requirements.
4. Detailed layout of the regulatory requirements related to operating a funeral business.
5. Develop a marketing plan.
6. Develop a facility development plan.
7. Layout a co-operative structure, including suggested investment share options.

Based on this business plan, CCMS could then pursue financing options; through debt financing a share offering to existing CCMS members, or a combination thereof. This would require the development of an offering memorandum, which may allow the shares to be offered for self-directed RRSPs, which is an attractive option to current CCMS members.

Appendix A: Survey questions

1. Are you currently a Calgary Co-operative Memorial Society member?

Yes

No

2. As a member, have you used Calgary Co-operative Memorial Society services in the past?

Yes

No

3. How would you describe your overall experience using CCMS services?

4. In the past, when you used your CCMS membership, did you end up spending additional money, in addition to the initial CCMS package purchased?

Yes, we decided to purchase additional items, or upgrades.

No, we decided to use only the package purchased.

I do not remember.

5. Would you consider pre-planning memorial services for yourself or your family members? Pre-planning could include detailing your memorial service wishes in a will, or purchasing some or all of your memorial services in advance?

Yes, I would consider it.

No, I would prefer if family dealt with it after I die

Yes, I have already pre-planned some or all.

I have not considered this.

6. What would be your key reasons in choosing a memorial service provider?

Quality of Service

Humane & compassionate approach

Price

One stop shopping convenience - All services provided through one contact

Other

7. What would you expect to spend on memorial services for family members?

\$1,000 - \$3,000

\$3,000 - \$5,000

\$5,100 - \$8,000

\$8,100 - 10,000

\$10,100 or more

8. What arrangements have been made to cover the costs associated with memorial services for yourself or close family?

I have pre-paid for funeral related services

I assume it will be taken care of by my family after I die

I assume my insurance will be used to pay for the memorial expenses
I have savings set aside to cover memorial expenses
I have not considered this.

9. Would you be interested in using a Calgary funeral co-operative, to purchase memorial services from, or host a memorial service, if it were available to you?

Yes
No
Don't have enough information to decide at this time.

10. What element(s) of the co-operative business model motivate you to join or conduct business with co-ops?

Supporting local business and the sense of community from belonging to a co-op
Supporting communal ownership and a democratic business model
Opportunity for financial gains, via ownership of co-op shares
Other (please specify)

11. Which of the following settings would be the most appealing for you to visit in order to discuss or purchase memorial services?

An intimate retail setting, located in a common shopping district
A traditional memorial services setting, or funeral home
Online services, via a website with live assistance available.

12. Which services or products listed below would be of interest to you, for planning your memorial or a family member's:

Lower-priced, quality caskets and urns
Green burial options
A chapel or church service;
A service held at a custom location, for example; visitation centre, favourite golf club, theatre, etc.
A graveside service
A service at the crematorium
A catered reception following the service.
Dedicated web site for your loved one, include pertinent as directions to the funeral and cemetery services. A condolence message
on-line, view a virtual memorial or watch a web cast of the actual funeral service for distant relatives or friends.
Assistance with paperwork for Revenue Canada, Canada
Don't have enough information to decide at this time.

13. Would you be interested in learning about environmentally friendly memorial services? This may include a biodegradable casket, an ecologically sustainable burial site, or establishment of a memorial fund for an environmental charity.

14. When purchasing all the necessary items involved in a funeral or memorial service, which type of service package would you prefer:

15. How would you find a service provider for memorial services, either for a family member or to pre-planning for yourself?

16. Would you have a preference for a specific ethnic or religious service?

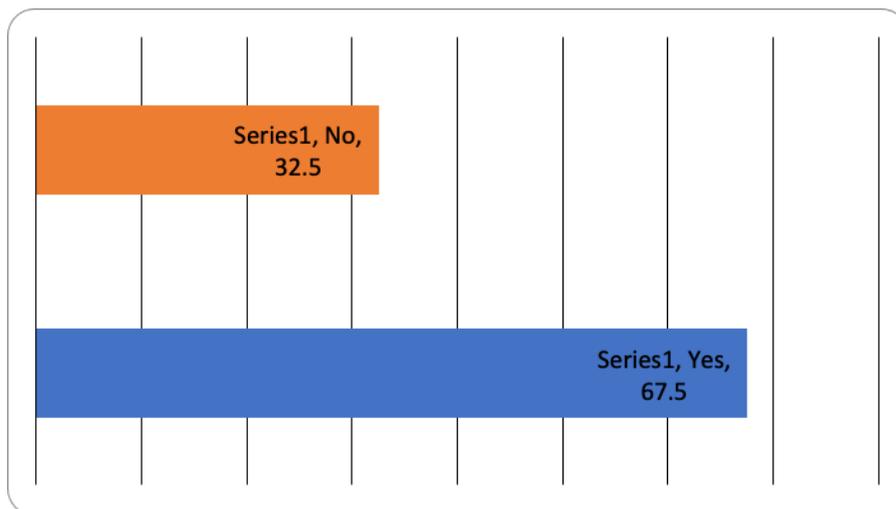
17. If so, please describe your ethnic or religious service preferences.

18. We appreciate any additional feedback you may have. Do you have comments or questions?

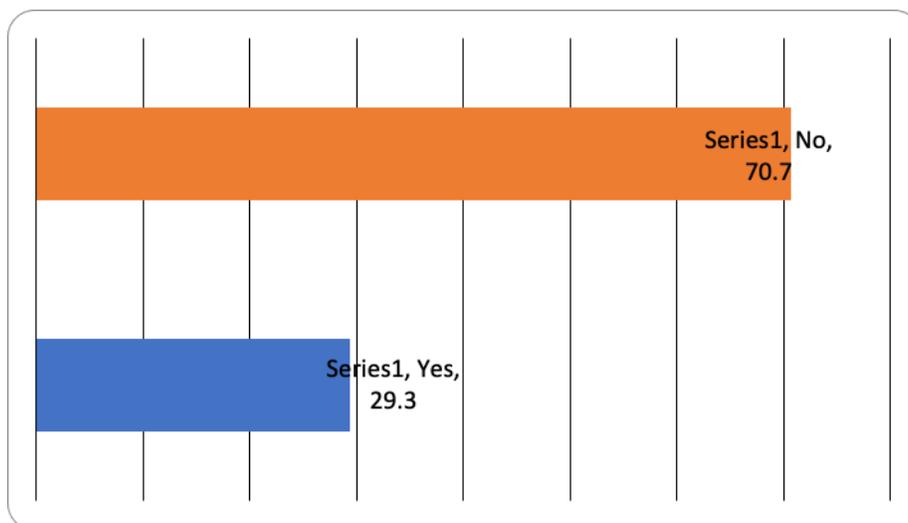
19. What do you think about CCMS opening a superior quality, community-supportive, funeral co-operative in Calgary, Lethbridge, Taber or Medicine Hat, in the near future?

Appendix B: Survey Results

1. Are you currently a Calgary Co-operative Memorial Society member?



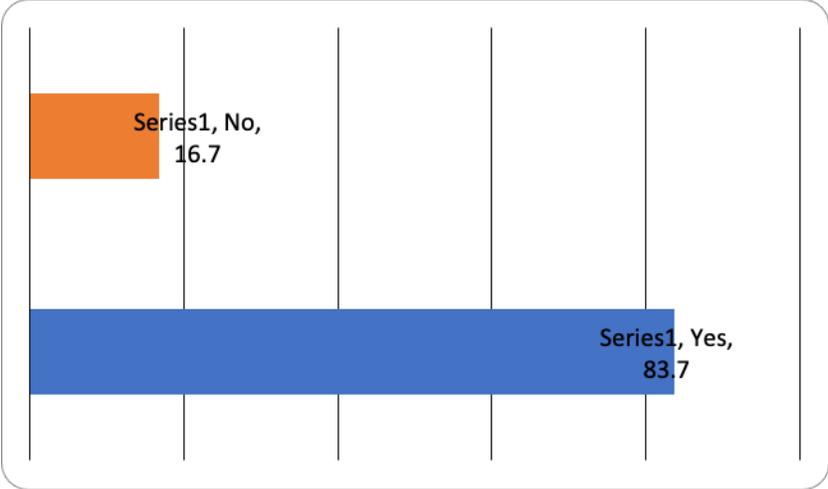
2. As a member, have you used Calgary Co-operative Memorial Society services in the past?



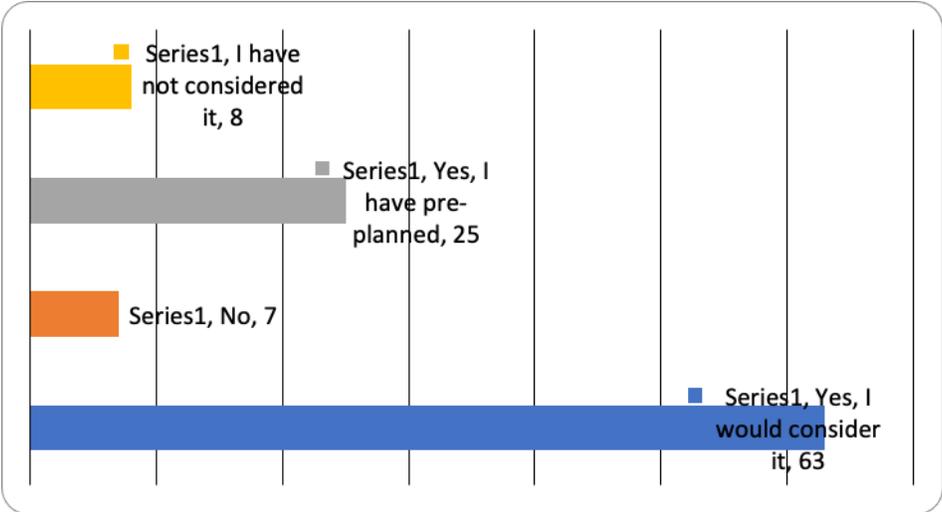
3. How would you describe your overall experience using CCMS services?

1. The forms and information for planning take the anxiety out of an unpleasant process. The contracting funeral home used when my husband died followed our wishes and were very professional.
2. Excellent--we were given help and guidance when my father died.
3. Very Good
4. Excellent. No hassle
5. Adina has been most helpful to ensure coverage was available to Hospice
6. Residents and family members
7. Superb
8. Excellent
9. Excellent! My father passed away in 1992. He was not a member. He had a lovely service, conducted by McInnis & Holloway. My mother, who was a member, passed away in 2000. She received the same impeccable services from McInnis and Holloway as my father did. I could not discern any differences in the way the two services were conducted. We paid less in 2000 than we did in 1992 and received identical services. I could not be more pleased.
10. Excellent - beyond helpful as I was a new member facing a death approaching a weekend with the key contact away. Someone else stepped in to help without being obligated to do so. It was extremely good support from a phone stranger.
11. No problem
12. Good
13. Very satisfactory
14. Good
15. Very good
16. Excellent
17. Everything went very smoothly from our perspective.
18. Very positive. Made the whole process so much easier.
19. My father-in-law was a member, and we were not made aware of the plans that were available by the funeral director. We were sold a service then received a 10% discount. I picked up a plan guide later and noticed that what we purchased was almost the same as a plan in the guide at a much lower cost. After complaining we received a reduced bill.
20. Good
21. We were worried that it was a scam that my farther-in-law fell into. We were so far from the truth! When our 21 year old daughter passed away, her very plain service cost us over \$11,000. Same with my other-in-law. My father in law cost us \$1,100 for the same thing. We are expected to re-invent the wheel of grieving. This isn't something that you want to be good at. I have shared this information with many people. A few have taken advantage of it. I am trying to get our company to make it part of the benefit package.

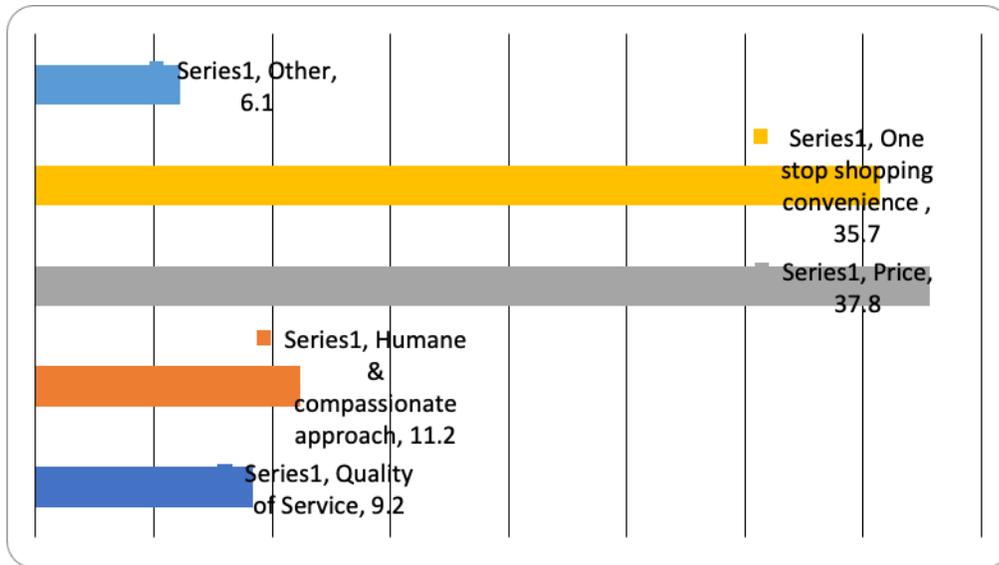
4. In the past, when you used your CCMS membership, did you end up spending additional money, in addition to the initial CCMS package purchased?



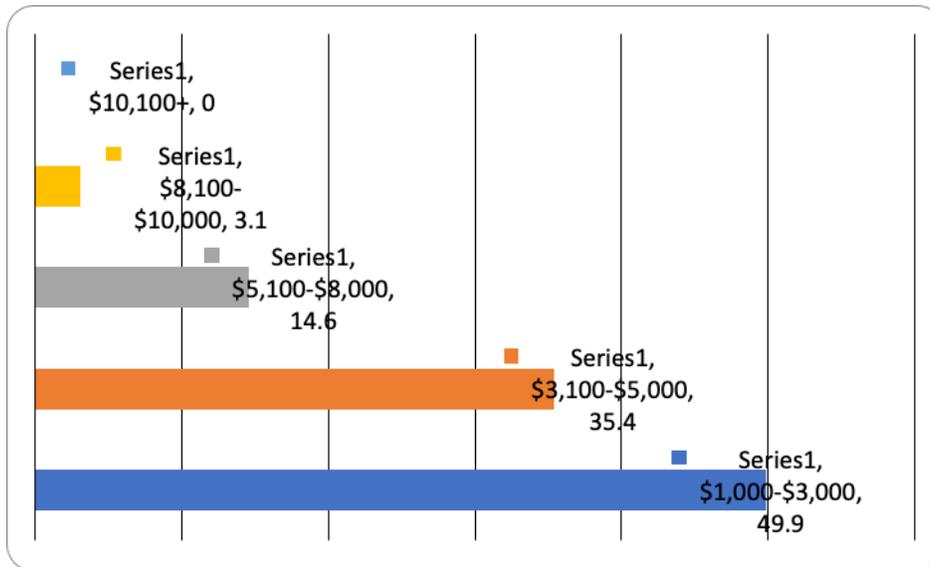
5. Would you consider pre-planning memorial services for yourself or your family members? Pre-planning could include detailing your memorial service wishes in a will, or purchasing some or all of your memorial services in advance?



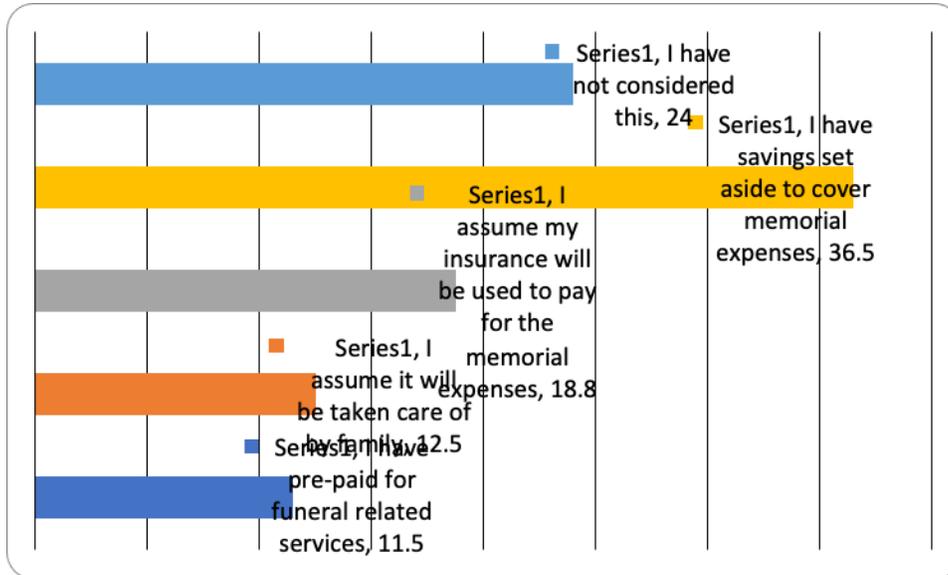
6. What would be your key reasons in choosing a memorial service provider?



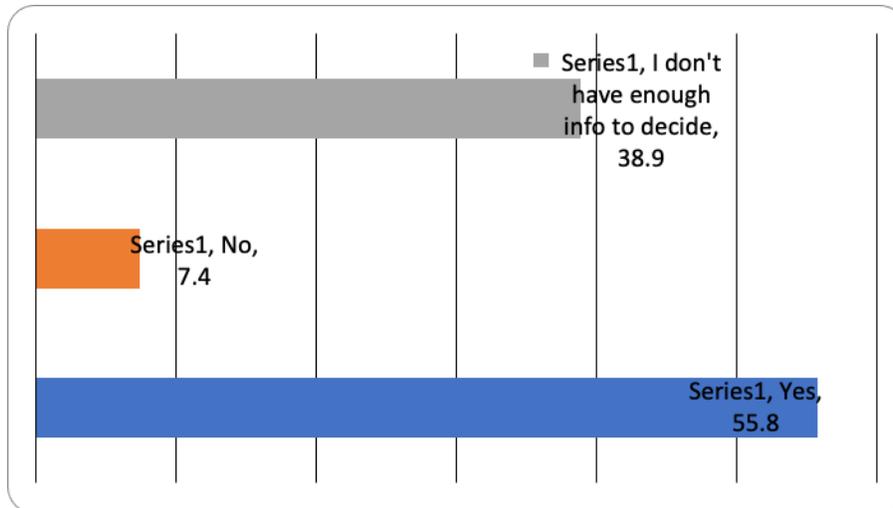
7. What would you expect to spend on memorial services for family members?



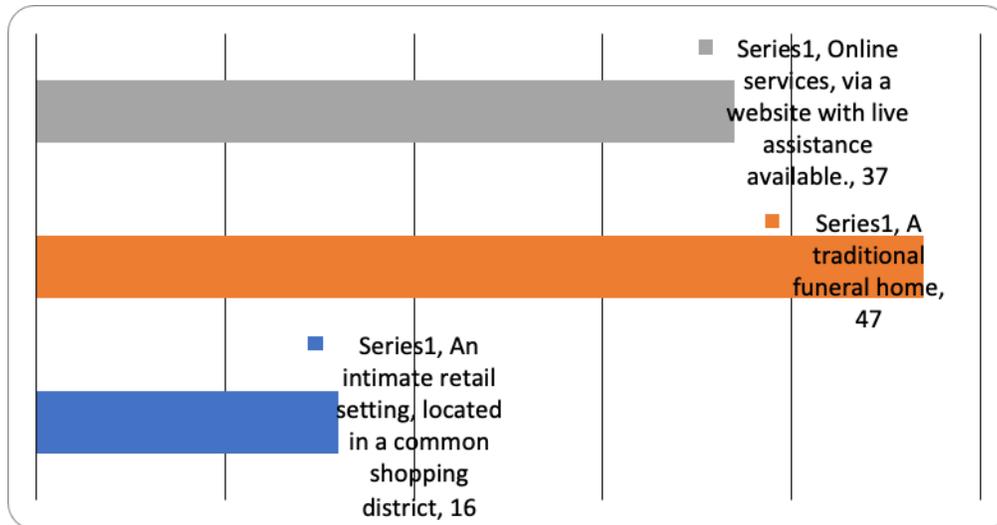
8. What arrangements have been made to cover the costs associated with memorial services for yourself or close family?



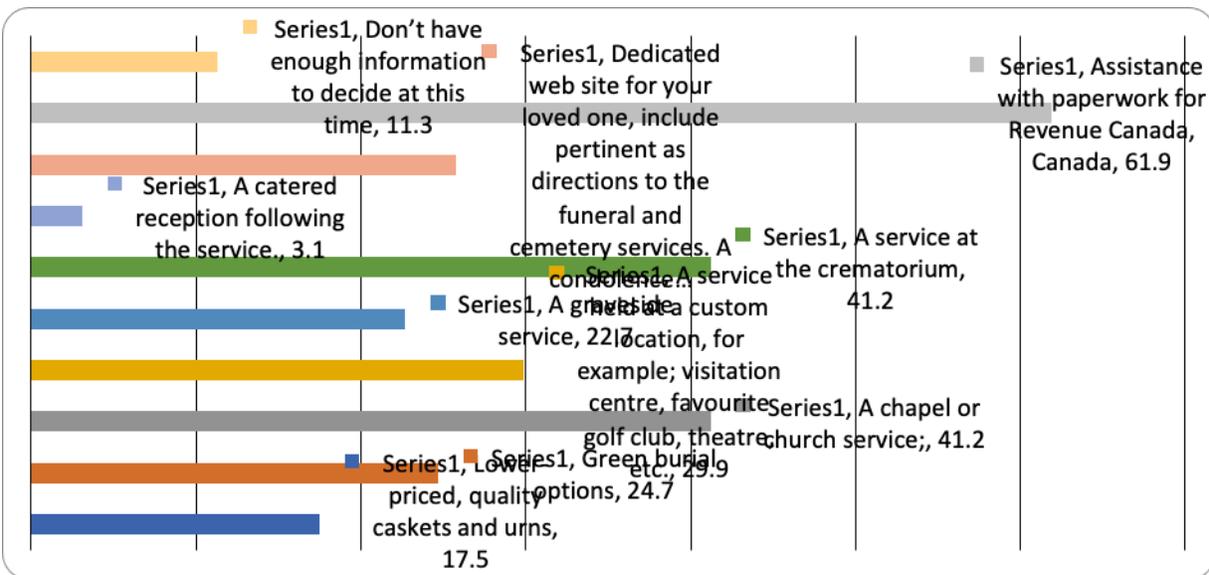
9. Would you be interested in using a Calgary funeral co-operative, to purchase memorial services from, or host a memorial service, if it were available to you?



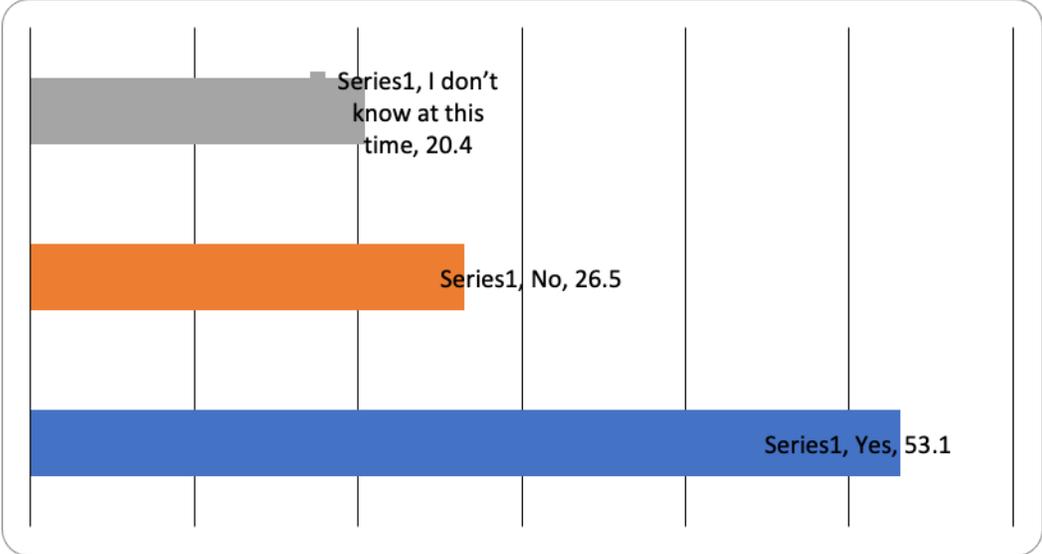
11. Which of the following settings would be the most appealing for you to visit in order to discuss or purchase memorial services?



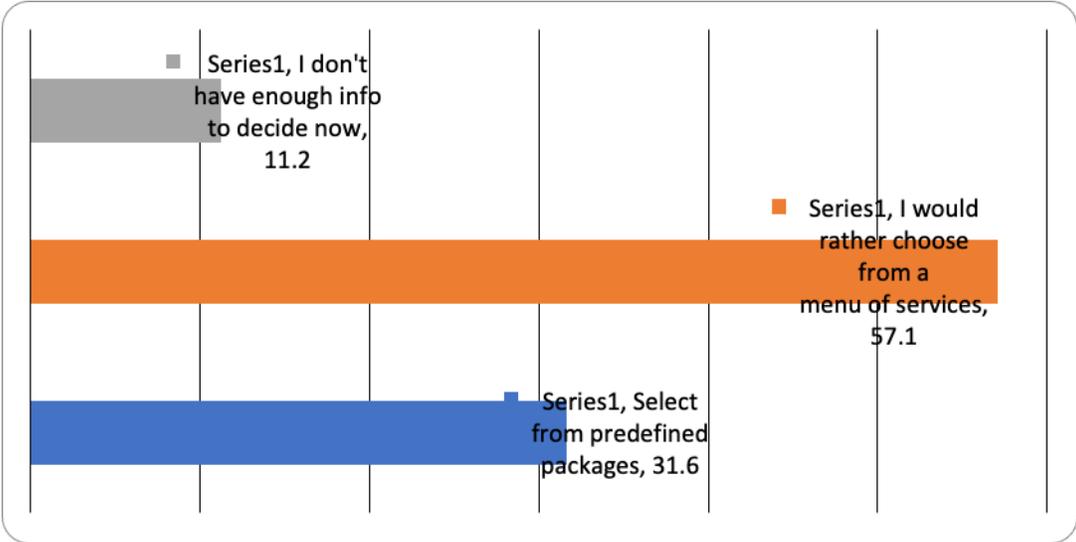
12. Which services or products listed below would be of interest to you, for planning your memorial or a family member's:



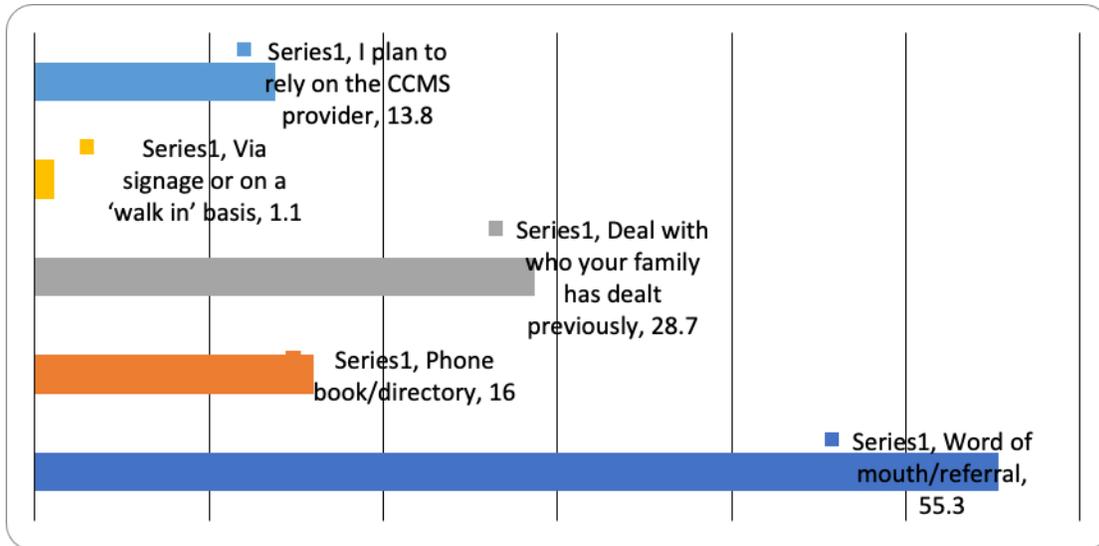
13. Would you be interested in learning about environmentally friendly memorial services? This may include a biodegradable casket, an ecologically sustainable burial site, or establishment of a memorial fund for an environmental charity.



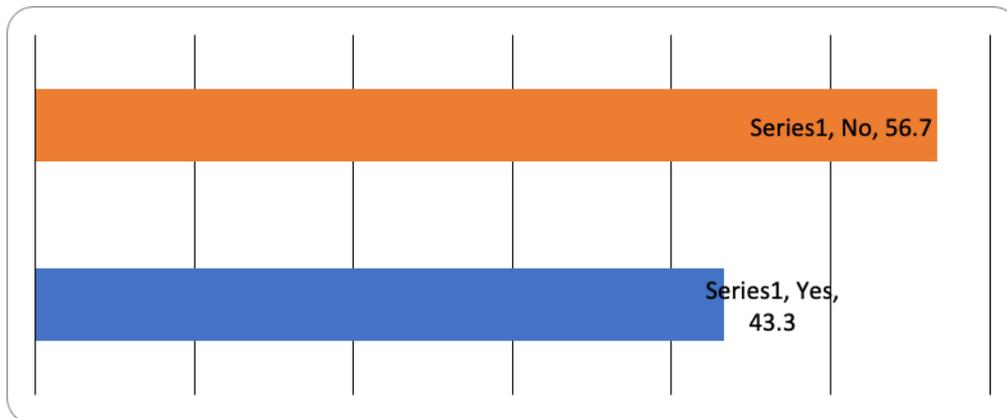
14. When purchasing all the necessary items involved in a funeral or memorial service, which type of service package would you prefer?



15. How would you find a service provider for memorial services, either for a family member or to pre-planning for yourself?



16. Would you have a preference for a specific ethnic or religious service?



17. If so, please describe your ethnic or religious service preferences.

1. Anglican Church
2. Unitarian
3. Catholic
4. jewish
5. Christian
6. Unitarian
7. Buddhist
8. RC
9. protestant
10. Priest in attendance
11. Service held at my church w/my pastor. Also, I want a Scottish piper and drummer to play Amazing Grace at my memorial service, as this is my ethnic background.
12. Christian
13. We are both from a north american baptist background

14. christian
15. Private, traditional service
16. Christian Church Service in my own church - Lutheran
17. Roman Catholic
18. mennonite
19. Methodist / United Church
20. Unitarian Church
21. united
22. Christian - evangelical Reformed Baptist
23. Christian
24. Roman Catholic
25. Catholic Church
26. Mainline Christian, Bible, Christ- centered, Church service
27. Christian service
28. christian services

18. We appreciate any additional feedback you may have. Do you have comments or questions?

1. Since I am the Chair of CCMS and have already pre-paid for a simple cremation, with memorial church service to follow at the convenience of my family, some of the above questions might be somewhat skewed or irrelevant.
2. I am a member of the Steering Committee.
3. Adjusted accommodation rates for out of town folks at memorial /funeral might be a value added idea.
4. value added idea.
5. KEEP ME INFORMED
6. JUDY BUTLER jbutler1@telus.net
7. Great idea.
8. We consider joining the CCMS as having been our first step in pre-planning, so
9. why all the questions such as, "would we be interested in joining?"
10. I have used the society but my family does not want "memorial services" - just
11. viewing the deceased privately and cremation.
12. Look forward to the outcome of this survey.
13. gerald.pfeil@hotmail.com
14. The CCMS is doing a good job as currently set up. There is no need for Calgary to have yet another funeral home when what we have now seems to work fine
15. Thank you for this excellent survey and the opportunity to have a voice.
16. Costs must be kept low - have a no fuss or frills option. I lean towards environmentally friendly options where possible.
17. I know of people who have used your services and were very impressed.
18. Our local newsletter would likely accept an article: <http://lbca.info/bugle.htm>
19. My Wife and I wish for a very simple disposal by cremation.
20. Would changes be easy to make and discuss even though a pre-arrangement had been chosen?
21. Do you have celebration services for those wishing to "give roses" before one's death?
22. What advantages can we market to get younger people interested in planning in advance for their demise? Could one have a "Savings Plan" for this inevitability similar to an RESP?
23. Not living in province of my family/relatives, it was important to me for sake of my 3 children, without support of other relatives that I take care of all & eliminate concerns/stress as much as possible.
24. Not at this time I would like the option of going to different retailers to pick what I want. ie; buying a coffin from Costco online, ordering flowers from my florist, omitting limos and other extraneous additions
25. I think that the organization could be providing more education regarding the issues.
26. We have purchased two plots, but have no arrangements for a funeral.
27. Would like to make an appointment to talk to a representative for more information - phone number is 403-246-8317 - Les and Thelma Soltice

28. I have a blog, and have included contact information on it for those who may not
29. be aware of what you do.
30. I think this is awesome if it is a real site. I recieved this info and your website from an e-mail so I'm not sure if it's a scam or not.
31. A very simple, tasteful, non-religious, cost effective service for people with no family.
32. I want very simple and minimal arrangements.
33. I think that you should market through benefit packages. When life insurance pays out \$100,000 for a death, should 10% of that cost be given to the greed of a funeral service. Kick them while they are down.

19. What do you think about CCMS opening a superior quality, community-supportive, funeral co-operative in Calgary, Lethbridge, Taber or Medicine Hat, in the near future?

1. Great Idea.
2. I think it's great. I plan on becoming a member on payday.
3. Yes, this maybe a very good idea.
4. I cannot download the brochure. Easy access is nice. I have left a phone message with Calgary office.
5. Am I to assume 'superior' vs 'regular' relates in large measure to cost?
6. As long as it doesn't become 'money' grabbing. Stay true to the word and intention.
7. Good.
8. Would the Co-op bid against the current provider? How could we ensure the co-op rates would be competitive?
9. Not for profit would be good.
10. Would like more information.

Appendix C: Summary of Options for CCMS to Explore

<p>Opportunity: Green Funerals - The idea of green funerals is to provide a simple alternative to traditional burials by minimizing the use of resources and toxic materials. Bodies are interred as quickly as possible, eliminating the need for embalming. Caskets can be made from natural wood products, cardboard, or no casket is used. Shallow graves can be used, where the natural process of decomposition returns nutrients to the Earth. In lieu of traditional gravestones, family members are invited to mark with native plants or GPS systems. CCMS role in green funeral opportunities could range on the following;</p> <ol style="list-style-type: none"> 1. Asking its current contracted funeral provider to expand its green funeral offering, 2. Develop a specific green funeral coordination service focused on green funerals including a store front service site where clients can be walked through the green funeral options, 3. Include green funeral service options as part of a fully owned funeral service. 	
<p>Strengths</p> <ul style="list-style-type: none"> • Poorly served by current Calgary funeral providers • Highest uptake among high income earners⁵ • Calgary Cemeteries have indicated an interest in supporting green funerals give current cemeteries are full (green burials required less space then traditional burial areas, etc.)⁶ • May be able to cross-promote green funerals with green organizations e.g. Sierra Club, etc • Has some cross -marketing to ethnic groups e.g. Hindi, Islamic 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Limited cemetery access may cap growth • Potential resistance from current contracted funeral provider due to low margins from Green Funerals • Green funerals are relatively unknown process and may require some significant marketing/public education
<p>Investment Required: Option 1: >\$100,000 or much less, depending on the level of advertising Option 2: Approximately \$350,000 Initial survey results indicate that 75% of respondents are interested in environmentally friendly funeral service. Further survey results will provide more details on potential demand for 'green' funeral services.</p>	

^{5 5} See <http://www.forestofmemories.org>

⁶ Calgary City Cemetery GPS Headstones and Green Burials - Article downloaded Dec 21 from <http://yourfuneralguy.wordpress.com/2010/01/16/calgary-city-cemetery-gps-headstones-and-green-burials-yourfuneralguy/>

Option 3: \$300 000 to \$2.5 million, depending whether there is a graduated buy out or new build as described below.

Next steps for business plan considerations

- Clarify Calgary Cemeteries strategy around green funerals and potential linkage with CCMS
- Approach green organizations for their interest in supporting green funerals including deeper surveys of their membership, cross marketing opportunities, investment
- Explore relationship with the Natural Burial Co-op based in Toronto, <http://naturalburial.co-op> which could assist CCMS in developing clear policies and procedures for natural burial limits

Opportunity: Calgary’s growing multicultural population and as more and more people move to Calgary from other provinces, there will be an increased demand for services to ship remains to “Homelands” across the globe. CCMS could consider providing resource centre of information and supplies to assist in the repatriation process. Multicultural services could also include specific ethnic or religious services. Initial survey results indicate 57% of respondents would like some form of ethnic or religious component in their funeral.

<p>Strengths</p> <p>Increased international and interprovincial migration to Calgary indicates that repatriation will necessarily grow in demand.</p>	<p>Weaknesses</p> <p>Current funerals are able to arrange this service for relative ease through Mackinnon & Bowes Airlines already offer this service directly http://www.aircanada.com/cargo/en/solutions/ac_compassion.html Transient populations are less likely to commit to a co-op which requires a membership to access services</p>
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Investment Required:

Next steps for business plan considerations:

Clarify remains repatriation of current service provider
Contact religious institutions e.g. mosques, temples for their perception on the demand for repatriation services.

Opportunity: Direct funeral arrangement services – CCMS could consider establishing full scale funeral planning services. This would entail hiring a funeral director who would assist family with planning and arrangements, completion of appropriate papers, body pick up and arrangement, arranging venues, transport for funeral, flowers, etc. This service would require a store front presence and should at minimum include a reception/administration area, display area and private client meeting room. While the director and support staff could arrange all the services, the actual services from embalming to burial, would be subcontracted to existing full scale service providers.

Strengths	Weaknesses
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<p>Relatively low initial investment Builds on current relationships Has ability to grow rapidly based on demand</p>	<p>Current contracted service provider may resist May miss out on key growth opportunities in filling current gap in services. Dependent on capable staff Continued dependence on other service providers</p>
<p>Investment Required: Approximately \$400,000 for a leased space. See Appendix 1: Planning Service Financial Projections</p>	
<p>Next steps for business plan considerations: Identify suitable lease locations, ideally in high traffic retail areas.</p>	

<p>Opportunity: Graduated buy out – CCMS could consider entering into full funeral services via buying an existing funeral business in totality or gradually overtime. This could be pursued by approaching those funeral homes whose ownership is approaching retirement with no clear succession plan, or independent funeral homes which have been approached by but rejected buy out by funeral conglomerates but who may be interested in the co-operative model.</p>	
<p>Strengths</p> <ul style="list-style-type: none"> • Immediate access to an existing market combining CCMS clientele with the existing client base of the funeral home • Direct control over full range of funeral services including quality, profits • Purchase of asset in a market in a profitable market sector 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Potentially higher capital needs
<p>Estimated Investment Required: \$400,000 - \$10 Million depending on the potential business e.g. one vs multiple locations, size of business, renovations required and how gradual the buy out process might be.</p>	
<p>Next steps for business plan considerations: Conduct direct interviews with existing independent funeral homes in Calgary for their interest in these options.</p>	
<p>New Build – CCMS could consider entering the funeral market by starting a new funeral service. This could involve the purchase and renovation of a closed funeral facility, the purchase renovation of an existing building or the designs and construction completely new build.</p>	
<p>Strengths</p> <ul style="list-style-type: none"> • Immediate access to an existing market combining CCMS clientele with the existing client base of the funeral home • Direct control over full range of funeral services including quality, profits 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Significantly higher capital needs • Minimum of 1 year before business would be ready • Construction/Reno costs are notoriously unpredictable

<ul style="list-style-type: none"> • Purchase of asset in a market in a profitable market sector • Purpose built facility 	
<p>Estimated Investment Required: \$3.5 - \$10 Million depending on locations, renovations vs new build development</p>	
<p>Next steps for business plan considerations: This option should be pursued with the direct involvement of the potential funeral director in the business planning phase and who can assist in planning, designing and construction of the business site.</p>	