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Funeral Home Services

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Table of contents

Summary	2
1- Project description	3
1-1 Nature o work	
1-2 Participation of family members	
1-3 Business location and condition	
2- Market analysis	3
2-1 Industry analysis of family members	
2-1-1 The price of tradition	4
2-2 Industry opportunities and limitations	
2-3 Competition	
2-4 Target market	5
3- Process description	5
3-1 Preparing the dead	
3-1-1 Pre-embalming prep	
3-1-2 Preparation	
3-1-3 Washing	
3-1-4 Dressing and casketing	6
3-1-5 Choosing a casket	
3-2 Preparing obituaries and posting them in newspapers	7
3-3 Choosing a cemetery	
3-4 Ordering flowers	
3-5 Working Conditions	
4- Marketing and selling techniques	7
4-1 Selling techniques	
4-2 Pricing	
5- Financial plan	8
5-1 Initial capital and loan requirement	
5-1-1 Direct costs	9
5-1-2 General and administrative expenses	
5-1-3 Working capital needs and investment needs	10
5-2 Loan repayment schedule	
5-3 Projected income statement	11
5-3-1 Statement of retained earnings	
5-4 Projected balance sheet	12
5-5 Projected cash flow	
5-6 Break-even analysis	
5-7 Sensitivity analysis	13
6- Key success factors and recommendations	13
7- Conclusion	13
The points of view expressed in this study reflect the author opinion.	

Summary

The following feasibility study represents a funeral home operating and financial plan for the coming five years. The funeral home business is usually carried from father to son, and all family members are involved in the process.

The funeral home can have a diversified range of services or can outsource part of its services. Whether outsourced or in house, those services include transferring the remains of the dead, preparation of the dead, obtaining the necessary and required legal documents for foreigners, consulting with the family, clergy and others to make service arrangements, placing obituaries in appropriate media, contacting the cemetery, and providing flower arrangements.

Wars, catastrophes, aging population and recession affect a funeral home business. All affect the number of funerals except for the recession, which affects the price of the funerals.

Funeral homes get their business from nearby areas, from referrals and from hospitals. Many undertakers have traditionally exclusive contact with certain families, churches and graveyards.

Direct competitors of a funeral home are funeral homes providing full funeral services.

The financing requirements are 28 457 \$US of which 12 000 \$US will be taken as a loan and reimbursed over a period of two years in equal monthly installments of 545 \$US. The remaining 16 457 \$US will represent the owners' contribution. The financing requirements cover the cost of equipment and the required working capital during year one.

Total sales are expected to be 79 100 \$US in year one and will increase gradually to reach 108 221 \$US in year five. The gross profit margin in the first year is 50 %; it remains constant over the years. The net profit will increase from 19 295 \$US in year one to 30 538 \$US in year five; the resulting net profit margin is 24 % in year one and it increases over the years reaching 28 % in year five.

The cash flow generated by the operating activities will allow the funeral home to have the funds to reimburse the loan in the second years.

The overall performance of the funeral home is subject to the realization of the projected services volume depending on the undertakers' connections.