

Title: Buying a Funeral Home

By: Matt Manske

Owning a funeral home is something many funeral directors dream about. Employee funeral directors work long hours and are often underpaid. Those with an entrepreneurial spirit eventually begin looking for a funeral home to buy. Inexperience and this strong desire to own can overshadow logic when it comes to evaluating an opportunity.

Funeral directors work long hours. Many directors are on call 24 hours a day for extended periods of time. Irregular work hours and being called away from family on a regular basis can wear on an employee. Funeral directors sacrificing significant family and social time figure they might as well own their own business since they are doing most of the work.

Funeral directors are often under paid. Employee funeral directors are typically not paid enough for the effort, commitment and ownership mentality they contribute to a business. Good funeral directors take their job seriously and are very passionate about their calling. They are caregivers and committed to serving every family as if that family were their own. Being this committed to a business that you do not own is a strong motivator for the financial benefits of ownership.

Funeral directors are entrepreneurial. A typical funeral director does not fit in with the 9 to 5 administrative mentality. Because of the nature of funeral service, they think in terms of daily priorities. A death call or family in need can come at any time and they are used to putting administrative duties on hold. Many funeral directors get into the business thinking that it is just another job and quickly learn they need the personal interactions that funeral service provides. These personal interactions drive everything they do and they quickly feel an obligation to serve families in their community. This obligation is entrepreneurial in nature and a very strong motivator for ownership.

Working long hours, being underpaid and having an entrepreneurial spirit are all factors that drive employee funeral directors to begin looking for ownership. In addition, these factors often create an ownership drive so strong it can overshadow logic when it comes to researching an opportunity. Remember, funeral directors prioritize family interaction over administrative tasks. They are tired, underpaid and are often willing to do anything to achieve ownership. This puts them at a distinct disadvantage when reviewing opportunities and dealing with the various parties to a transaction.

Dealing with these parties is not an easy task, especially if the buyer is currently employed, working long hours and trying to keep the business purchase confidential. There are legal, financial and tax issues that need to be addressed in every business purchase. A buyer should

**Matt Manske is the Managing Member of BSF, LLC (website: www.4BSF.com).
He can be contacted at 913.343.2357, or by email at matt@4BSF.com.**

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always seek the appropriate legal, financial and tax advice when going through a transaction. Buyers that go it alone often pay the price in terms of poorly designed legal agreements, overly burdensome transaction structures, heavy tax consequences and unfavorable financing terms.

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