



Consulting Proposal

Digitizing and Modernizing the Funeral Industry

Proposal prepared for



Company: **Keystone Funeral Services**
Address: **203 Oak St.
Bessemer, PA 16112**
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Proposal prepared by



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October 4, 2021

A.J. Quahliero
Keystone Funeral Services
203 Oak St.
Bessemer, PA 16112

Letter of transmittal - digitizing and modernizing the funeral industry

Dear Mr. Quahliero,

We want to thank you again for the interesting meeting and congratulate you on the acquisition of your first funeral home together with Mr. Anthony Quahliero. We understand that the funeral industry, as many other industries, is facing a digital transformation. Hence, the digitization needs to be further advanced to address younger generations without losing the opportunity to engage in conversation and educate customer about the services. This document is to propose an engagement to jointly discover emerging customer trends and how to address them with new digital products/services and marketing.

In the following document the project goals, objectives and significance are laid out in more detail. Furthermore, a high-level overview of the timeline is provided with further information on how the problem/opportunity is approached. Moreover, information on the background of the consultants and how the engagement should be evaluated is provided, too.

We appreciate your trust and are looking forward to collaborating with you.

Kind regards,



Tilman Dreyer
Carnegie Mellon Consulting

1. Background Information

Keystone Funeral Service is an acquisition-minded organization in the funeral industry run by two well-experienced experts, Anthony J. Quahliero III and Anthony J. Quahliero Jr. The organization has acquired their first funeral home in quarter three of 2021 and is seeking opportunities to acquire additional funeral homes, building a local network. Furthermore, the company is focused on operational excellence to allow all generations to find a sense peace, comfort, and healing during a very difficult time. Keystone's mission is to bring compassion and professionalism to traditional funeral services, while creating a personalized celebration of life as unique as the person being honored. The services offered by Keystone Funeral Service include amongst others preparation for cremation or burial, selling funeral merchandise and offering funeral services.

The funeral industry is facing a digital transformation, with younger generations becoming the customer of the services offered. Hence, the digitization and modernization need to be advanced to ensure future engagement in conversation and to educate customer about the services. Keystone Funeral Service has recognized this trend and is committed to reach more customers, deliver superior services, and become a regional leader in the funeral industry.

2. Project Goal and Objectives

The funeral service industry is a traditional industry with little innovation. Companies in the industry competed on local level over decades. However, in recent years, technologies have had remarkable advancements, new generations gradually become customer of the funeral service industry and Covid-19 has an impact on people's funeral and interment habits.

The goal of this consulting engagement is to gain an understanding of market and marketing trends to create a clear vision of the future business and service development strategy for Keystone Funeral Services, focusing on modernization and digitization. The project is aimed to evaluate the suitability of new digital services provided by Keystone Funeral Services in Pennsylvania and Ohio. There is a strong focus to blend new and conventional aspects of funeral services, leveraging both technology and tradition to connect more people with their loved ones. To achieve this goal, the following objectives have been identified:

- ***Increase understanding of market trends and digital marketing in the funeral service industry by conducting qualitative and quantitative research.*** The comprehensive and in-depth understanding will be the foundation for the following analysis and recommendation.
- ***Analyze the current state of Keystone Funeral Service's offerings, marketing activities and competition.*** In-depth understanding of individual components of the company and the industry are critical to the success of this consulting engagement. The comprehensive analysis of the company, competitors and the market serve as the basis for recommended action.
- ***Recommend action on how to enhance digitization and modernization of Keystone Funeral Services.*** Based on the insights gained through the research and analysis, the team of consultants will propose actions that allow Keystone Funeral Services to utilize emerging technologies, address the changing demand and enhance their competitive edge.

3. Significance

Most recently Covid-19 has certainly brought new challenges, requirements, and opportunities to the funeral industry. People have a new understanding about death and cherishing their opportunity to pay tribute to their loved ones. One arising challenge is the increasing demand for digital services to allow people to participate in funeral ceremonies remotely to pay their respects if travel is not possible. This trend is accelerated by the changing demographic that interacts with the service provider; new generations are inclined towards digital technologies. In addition, there is another factor that reinforces the significance of this consulting engagement. Funeral homes in Pennsylvania and Ohio are often family run businesses, lacking a successor. This presents an opportunity to establish Keystone Funeral Services as a regional market force to utilize economy of scale and to better address changing customers with alternative service offerings and marketing. To sustainably establish regional market power, a strategy is needed to address the risk of digital disruption. Qualitative and quantitative research, analysis and recommendations will provide a firm foundation for future business and long-term success through differentiation. Carnegie Mellon Consulting is looking forward to providing Keystone Funeral Services with these services.

4. Methods

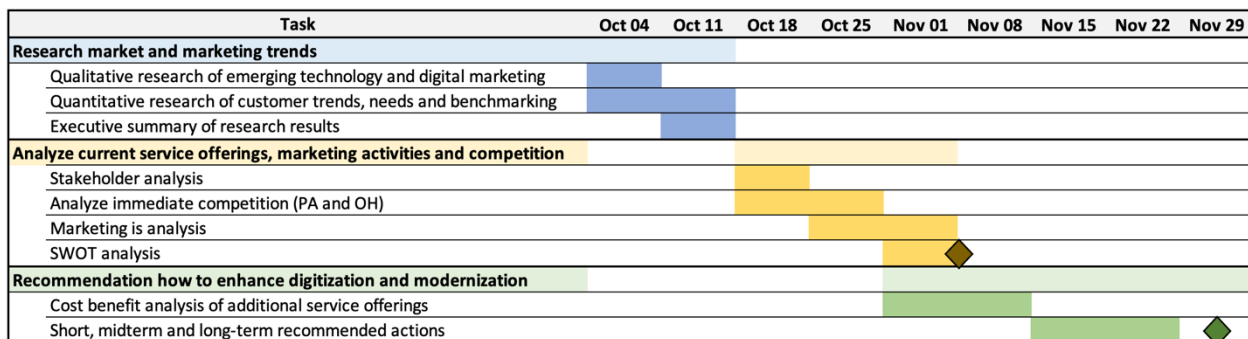


Table 1 Project Gantt chart

The Gantt chart displayed above gives a high-level overview of how the objectives will be achieved. The foundation for this consulting engagement is to increase and validate the understanding of market trends and digital marketing among the client as well as the consulting team. The research will focus on peer reviewed articles on digital marketing and emerging technology, services, and trends. In order to understand how the researched material can be applied to and integrated in the developed marketing plan of Keystone Funeral Services, the current state of Keystone's service offerings, marketing activities and competition will be analyzed. The final objective of the consulting engagement is to recommend action on how to address the risk of disruption through digitization and modernization of Keystone Funeral Services.

Objective 1 - Research to increase understanding of market trends and digital marketing in the funeral industry

- Qualitative research of emerging technology and digital marketing** is carried out to obtain a comprehensive and in-depth understanding of market dynamics and the development of the industry. The qualitative research will focus on emerging technologies and digital services that have the potential to complement the range of service in the funeral industry. Furthermore, this exercise serves to increase the understanding of how to advertise/market an undesirable service in the digital age. The team will review peer reviewed articles and utilize academic resources for the literature review.

- ***Quantitative research of customer trends, needs and benchmarking*** is carried to evaluate the demand for emerging/digital services and technology in Pennsylvania and Ohio. Based on the review of the latest funeral industry benchmarking and searching for trends in related/similar industries, the consulting team will determine the market size for emerging services and technologies. The team will review peer reviewed articles and utilize academic resources for the literature review.
- ***An executive summary of research results*** will be provided to Keystone Funeral Services in form of a written report. The documents will summarize the relevant qualitative and quantitative research results on emerging technologies, digital marketing, and customer trends/needs. The focus lays on laying out feasible digitization and modernization strategies that can be applied to the region of Pennsylvania and Ohio with an outlook on industry innovation trends worldwide.

Objective 2 - Analyze current state of service offerings, marketing activities and competition

- ***Stakeholder analysis*** is performed to identify various influences, values, perceptions, and qualifications that are relevant to the project. The goal of the stakeholder analysis is to identify which internal and external people could influence and collaborate on the project. Furthermore, it aims to increase the understanding of different requirements and helps affirming that our recommendation will maximally satisfy the needs of the stakeholders of this project.
- ***An analysis of the immediate competition in Pennsylvania and Ohio*** is carried since the competition in the funeral business is local due to its nature. By evaluating the service offerings, online presence, and marketing initiatives of competitors in a 10-mile radius around the Terry Cunningham location of Keystone Funeral Services, a comprehensive overview will be generated. This analysis will allow the team to identify potential differentiators to establish competitive edge over other funeral service provider in the area.
- ***A Marketing is analysis*** is carried out to compare the existing marketing plan with the quantitative and qualitative research outcome of project phase 1 to identify potential for improvement to be included in the recommendation for action in project phase 3.
- ***The SWOT analysis*** is conducted for the purpose of positioning and strategy development. Once all of Keystone Funeral Service's strengths, weaknesses, opportunities and threats have been identified (including the results of previous analyses), the SWOT analysis can be used to identify appropriate actions for Project Phase 3 to maximize opportunities.

Objective 3 - Recommendation on how to enhance digitization and modernization

- ***Cost benefit analysis of additional service offerings*** is used to identify and rank the best marketing and service offering opportunities. The analysis is carried out based on predefined factors and allows an objective evaluation of the available opportunities. The findings from the research and the previous analyses are considered.
- ***Short, midterm and long-term recommended actions*** are identified to address the risk of business disruption, to utilize emerging technology and to further the competitive edge of the business. The recommended action will be delivered through a written evidence-based report complemented by a presentation.

5. Evaluation

The objectives of the Consulting Engagement are met when the results of the quantitative and qualitative research have been shared in an executive summary with Keystone Funeral Services and a report with short, midterm and long-term recommended actions as well as a presentation has been developed and shared. The quality of the consulting engagement is measured by how specific and relevant the recommendations are. Keystone Funeral Service operates exclusively in

Western Pennsylvania and Eastern Ohio, recommendations on how to utilize emerging technology and digital marketing to digitize and modernize the business/industry shall be applicable to this market and the customer to be served.

The quality and progress of the consulting engagement is ensured through bi-weekly meetings with the client. All parties agree to actively contribute to the collaboration to ensure the success of the project. Recommended actions may build upon existing analysis and research approved by Keystone Funeral Services.

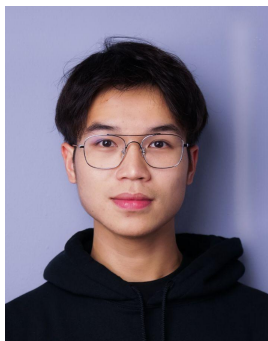
6. Experience



Tilman Dreyer (Project Manager) is an aspiring Engineering & Technology Innovation Management student at Carnegie Mellon University (College of Engineering), with a background in Industrial Engineering and Business Management. Before pursuing his graduate degree, he gained 6 years of multifarious work experience in the energy and chemical industry. In his latest position he worked as Project Lead, responsible for the implementation of a SaaS Software for Incident, Audit and Sustainability Management. With his diligent, sound and goal driven work ethic Tilman Dreyer will contribute to the success of your consulting engagement.



Raye Shen (Consultant) is a second-year Public Policy and Management student at Carnegie Mellon University, Heinz College. She graduated from Wuhan University majoring in diplomatic science and has worked for Lenovo as a data analyst intern. She has previously conducted consulting with Royal Australasian College of Surgeons and is familiar with market analysis as well as finding new business opportunities. Her intelligence, insight and detail-focused spirit guarantees her contribution into a successful consulting project.



Xi Yan (Consultant) is a first-year Public Policy and Management - Data Analytics track student at Carnegie Mellon University, Heinz College. He graduates from the University of Washington major in Economics and Informatics. He obtains rigorous skills in quantitative research when he interned in Teradata as a data analyst intern and a top 10 Venture Capital firm in China as an investment intern. He has experience in many projects which require data collection, cleaning of data, data visualization, and data analysis, his ability to carry out the work of data analysis has made his previous projects successful.

7. Fee Schedule

Material Costs (estimate)					
Transportation				\$	200,00
Research report licensing costs				\$	500,00
Consulting Fixed Price					
Deliverable	Personnel	Rate	Hours	Cost by Role	Total Cost
Objective 1 - Research market and marketing trends					
	Dreyer	\$ 165,00	10	\$ 1.650,00	
	Shen	\$ 135,00	14	\$ 1.890,00	
	Yan	\$ 135,00	14	\$ 1.890,00	
Objective 1 Cost:					\$5.430,00
Objective 2 - Analyze current service offerings, marketing activities and competition					
	Dreyer	\$ 165,00	18	\$ 2.970,00	
	Shen	\$ 135,00	18	\$ 2.430,00	
	Yan	\$ 135,00	18	\$ 2.430,00	
Objective 2 Cost:					\$7.830,00
Objective 3 - Recommendation how to enhance digitization and modernization					
	Dreyer	\$ 165,00	36	\$ 5.940,00	
	Shen	\$ 135,00	32	\$ 4.320,00	
	Yan	\$ 135,00	32	\$ 4.320,00	
Objective 3 Cost:					\$14.580,00
Overall Costs					
				Total Activities Cost:	27.840,00
				Material Cost:	\$700,00
				Total Project Cost:	28.540,00