

Ask The Expert

[Industry leader]

A Passion for Funeral Service

Q&A with Edward Sagel, co-founder, Sagel Bloomfield Danzansky Goldberg Funeral Care

■ Summary

In 1996, two years after founding Sagel Funeral Direction, first-generation funeral director Edward Sagel decided to sell his business to Service Corporation International. But when the opportunity arose earlier this year to buy back his old firm – along with Danzansky Goldberg Memorial Chapels – from SCI, Sagel jumped at the chance. He talks about the transition from independent to corporate to independent, the launch of Sagel Bloomfield Danzansky Goldberg Funeral Care Inc., and how this new firm will best serve the families and community of the Greater Washington, D.C. area. *Lisa Howard-Fusco reports.*

In 1996, you decided to sell Sagel Funeral Direction to SCI. What prompted your decision?

I was 28 years old. I was young and hungry. I had started Sagel Funeral Direction in 1994 and had taken it as far as I could by myself. That was a key factor – I was the first member of my family to go into the funeral business.

In most funeral homes – probably 90 percent – there are multiple generations of family members in the business. But at Sagel Funeral Direction, it was just me. I felt that SCI offered an attractive long-term opportunity in the form of a higher-paying management position with a public company.

I also had a friend who owned a funeral home and had sold it to SCI. He went to work for them in corporate development. Since I knew him, there was a connection. At this stage of my life, I had legitimate questions about my career, and about owning a home and raising a family, that I had to figure out. You're normally not looking for an exit strategy at age 28, but in my case the opportunity came to me.

You were, however, retained to manage both Sagel Funeral Direction and Danzansky-Goldberg Memorial Chapels.



Edward Sagel

Why did you decide to stay?

In our industry, local ownership is one of the main reasons why funeral homes are successful. Even when a funeral home is purchased by a public company, like mine was, it's important to retain that local ownership aspect. Ninety-nine percent of these transactions retain the local owner. In fact, it's part of SCI's acquisition strategy to keep the name on the building and not change the local faces associated with the business. It's important to maintain the history and goodwill associated with that funeral home.

For me, there was never a thought

not to stay with Sagel Funeral Direction and Danzansky-Goldberg. No way was I going to sell my funeral home and walk away. In fact, after the fifth year, I started asking if SCI would sell it back.

What were the challenges of managing the funeral homes for SCI? What advantages did you note?

Let's start with the advantages. At a large company like SCI, there are built-in marketing and legal departments that make it easy to reach out and get those answers when you need them. You're working with a larger team. You go to managers meetings and are able to learn about best practices and share stories about what to avoid. At the same time, you have access to staffing and resources at funeral homes around the company at reduced or no cost to your funeral home.

On the flip side, corporate sets the agenda, and you are expected to follow its path. Also, a large public company like SCI is very careful and methodical in its decision-making. While they are smart, they are also slow. It's like a big cruise ship that takes a long time to turn. When you're independent, you can change direction much more quickly.

A big disadvantage was having to follow company initiatives that did not match or coincide with local conditions. Some products and services offered by SCI did not match up with what our local community needed. For example, when SCI started offering prepaid legal services built into funeral packages, we quickly discovered that many of our customers in the Washington, D.C. metropolitan area were either lawyers themselves or had a lawyer in the family. It took a long time to get that out of what we were offering. Now, if something isn't working, we can stop doing it immediately. Don't get me wrong. As a large public company, SCI does a lot of good things. But when

How did the opportunity to buy both funeral homes from SCI come about?

When the Federal Trade Commission approved SCI's \$1.4 billion acquisition of Stewart Enterprises in 2013, the agency required SCI to sell off 91 locations (53 funeral homes and 38 cemeteries) in various parts of the country because of the anti-competitive issues this merger created. Sagel Funeral Direction made the list of SCI businesses that had to be sold off. This opened the door for me to buy back the company. At that point in time, it made sense to package in Danzansky-Goldberg Memorial Chapels because of proximity and market served.

family-run Jewish funeral business. His family had sold the business to SCI, and he had been doing the same thing that I had been doing. His name is Al Bloomfield. I had been evaluating partnership opportunities and had a few different possibilities to choose from. But Al and I were about the same age and had had parallel careers. Plus, he was the past president of the Jewish Funeral Directors Association (and is still active with the organization today). I knew I was going to buy back Sagel Funeral Direction from SCI, but I had to figure out the best way to make it happen. As it turned out, partnering with Al Bloomfield was the catalyst that made everything come together.

VIEWPOINT

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it came to making day-to-day decisions, particularly about Jewish funeral work, we felt we could do a lot more things. Being able to react quickly, to the advantage of the local community, has been a key success factor in our business. It could be something as simple as a pricing issue or something more complex, such as changing policies and procedures about burial and cremation issues. Ultimately, the fewer minds and legal opinions that have to get together, the better.

Why did you ultimately decide to purchase the funeral homes from SCI?

I thought it was an excellent opportunity to regain the independence that I had earlier. The fact is the long-term opportunities I thought were going to be there with SCI did not pan out.

After 18 successful years with SCI, I had plateaued within the company. Meanwhile, I had a friend from New Jersey, whom I had known for 20 years and who had also been in a

What do you think sets your funeral homes apart from others that serve your community?

It starts with local ownership and fair pricing. We are committed to fair, flexible and reasonable pricing of funeral packages that are fully responsive to the needs and customs of the Jewish community as well as new, non-Jewish markets, such as the Asian community. In fact, we've been able to reduce the average cost per family by 20 to 30 percent below the national average.

We feel that we offer the best of both worlds in the funeral industry – simple, flexible and competitively priced funeral packages combined with the highest service levels driven by care and compassion for families. It's important to note that my partner, Al Bloomfield, and I have 47 combined years of experience in funeral service. This gives us a shared perspective that enables us to blend traditional funeral services with contemporary, forward-thinking approaches. We are also integral parts of the community. I am a native of the Baltimore-Washington area and Al's wife is from Maryland.

Specifically, our full-service concept blends Sagel Funeral Direction's convenient, cost-effective package approach with Danzansky-Goldberg Memorial Chapel's traditional services.

We are currently in the process of combining the two entities into a single ultra-modern 6,500-square-foot facility located across the street from our current Rockville, Maryland, location. We started the build out on July 27, 2015, and will be in the new building by the end of the year. The Danzansky-Goldberg building has been a landmark on Rockville Pike since the early '70s, but with funeral services trending toward gravesides, at the synagogue and at other outside chapels that are available, we did not see a reason to keep this structure. During the last year, many of the families we have serviced have agreed with and understood our decision.

We are proud to have introduced a number of progressive enhancements to our service area, including the Fair and Realistic Pricing Plan, Shiva Concierge, Simplicity Plan for non-Jewish families and a number of innovative digital services.

Perhaps most important of all, concern for the community is another one of our hallmarks. The name Sagel Bloomfield Danzansky Goldberg Funeral Care reflects the deep, multigenerational roots our company has across the Washington, D.C. metropolitan area. We are always looking for new ways to give back to the community and solidify our relationships within the various segments of the community. Our community involvement includes:

- Providing free funerals for families in need.
- Donating basic personal care

necessities to homeless people.

- Donating school supplies.
- Paying for team-building hospice retreats for nurses involved in hospice care.
- Finally, our monument business is an important value-add for families who often welcome the opportunity to purchase monuments, markers and/or inscriptions from the funeral home without having to deal separately with a cemetery (and usually pay a higher price). This is one more way an independent funeral home can make things simpler and easier for its customers. In fact, families can buy monuments from us even if they did not make funeral arrangements with us.

Why did you choose funeral service as a career?

While I was in college, I had a part-time job in a funeral home as a funeral assistant. I really liked it. It appealed to me that the funeral business is a service industry that helps people at a tough time in their lives. I thought I was good at it from the beginning; I've always had an affinity for the older generation. After I got my college degree in communications, I went on to get a degree from a mortuary science school in Atlanta.

What is your philosophy of funeral service?

My guiding philosophy is to make it as easy as possible for families at this most difficult time. Our No. 1 goal is to communicate to customers that we care and are always available to provide focused attention to family needs. For us, the highest praise is when a family member says, 'You made the process simpler and easier than I

thought it would be.'

At the same time, as a funeral home that caters to the local Jewish community, we feel it is important to perpetuate customs and traditions that are important in Jewish funerals. I am Jewish myself. Not all families are traditional, but we want to make sure that they are aware of all available choices before, during and after the funeral. These include customs such as tahara (ritual washing of the body), shomer (the custodian or watchman who says prayers over the body), and chevra kadisha (the group that performs the tahara body preparation ritual), among other customs.

We don't want families saying, after the fact, 'We didn't know about this or that.' We're going to make it as easy for the family as we possibly can. A lot of emotions are going on, and we want the family to know that we are handling all the details and will take care of everything they need. For me, this business is all about giving families peace of mind.

What is the best piece of advice you have ever received?

I've had mentors along the way, and I have read tons of business books, but for me the best watchwords in this business – or any business – are to be honest, forthright and fair in everything you do and to love your family. That's how I was raised, and these are the core values that have had the most powerful influence on my personal and professional lives. They have guided me as I have learned the funeral business from the beginning and developed my own approach grounded in making things as easy as possible for families and ensuring their peace of mind. •