

Preventing a funeral business' downfall

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“There are three things which could lead to the downfall of a funeral business. These are unpaid policies, fraud and theft. It is important for funeral businesses to be aware of these aspects in order to protect both the business and its clients.” This is according to Chris Ogden, Managing Director of RubiBlue (Pty) Ltd.

The ultimate result of fraud, theft and unpaid policies is that a business will lose clients, both existing clients and future clients through word of mouth. As a result, it will lose income and eventually the business itself will have to close down. The victims in this case include Funeral Associations, Funeral Administrators, Funeral Parlours and their clients.

In order to make important business decisions, a funeral business needs to have knowledge of certain aspects within the business. These include knowing how many policies are currently being handled, how many of these are paid up and how many have lapsed. These are simple statistics that could mean the difference between the life and death of a business. Poor business decisions create the opportunity for the three aspects of fraud, theft and unpaid policies to make an entrance into the business and therefore cause direct harm to the business itself.

Faulty accounting systems present another weak spot which could cause harm to the business. Relying on manual receipt books and handling cash would be an issue in any business. Therefore, to prevent a negative impact, a business needs to have a foolproof system for handling receipts. Statistics have shown that up to 14% of manually captured receipts show evidence of some form of fraud or theft.

“We first became aware of the seriousness of this situation at the recent Funeral Association AGM, where we discovered that not one of the 350 businesses that attended the conference had protected themselves against these three damaging aspects,” says Ogden. “The good news is that we have created a solution. This entails using proper business management software.”

Proper business management software entails the use of funeral administration software. RubiBlue offers this to the African continent's market. According to Ogden, this armour is custom fit to suit every business and aims to protect it against danger and damage.

“If your business has suffered from a form of fraud or bad management, it could mean that when an honest, paid-up client experiences a death in the family and turns to you in their hour of need, you cannot pay out,” he says. The reason for this is that the receipts have been compromised and the business cannot say without doubt whether they are up-to-date on payments or not. The result is that underwriters won't pay, and the business ends up losing clients both directly and indirectly. However, not only will the business lose clients and premiums, but the business itself will suffer indefinitely.

It is necessary to note, therefore, that it is important to be prepared as a means to prevent a negative impact on the business. Also, having knowledge of the factors that could cause harm is very important, as this will aid in the process of preparing against and identifying such aspects. And finally, it is important to be alert and on the lookout for any possible danger.

This is where proper business management software becomes an active solution. It will help the business be prepared, be alert and have knowledge of the damaging aspects. In a final word, Ogden states: “Without proper business management software your business will fall prey to these killers – it is not a matter of if, but a matter of when.”