

Ask The Expert

[Industry leaders]

Wilbert and Suhor Announce Merger

Q&A with Dennis Welzenbach

■ Summary

In April, Wilbert Funeral Services and Suhor Industries announced their intention to merge companies, with Wilbert Funeral Services the surviving corporate entity. The result of the merger, according to company officials, will be a diverse and strong organization positioned for growth within the funeral and precast industries. Dennis Welzenbach, president of Wilbert Funeral Services, explains the decision to merge, what it means for business and what the future holds. *Patti Martin Bartsche reports*

When did Wilbert Funeral Services Inc. and Suhor Industries start looking into the possibility of merging? (In other words, how long has this merger been in the works?)

This is hard to say exactly. For several years there have been informal conversations but nothing beyond that. However, at our November 2013 board meeting in Chicago, it was brought up by one of our directors when discussing financial statements and the eliminations, combinations and consolidating entries that were made in order to close each month.

Most of this work was nonproductive but needed to be done as a part of the interaction of the two entities. The statement was then posed formally as, "Why don't you just put these two companies together?" At that time we began to investigate what was needed to effectuate such a merger by reviewing state business rules and state and federal tax laws. In subsequent meetings we voted on taking the next steps.

Why is this a good business decision for both companies?

Beyond the extra time savings mentioned above, we have been preaching consolidation and diversifi-

cation to the Wilbert licensee network for years. We see the entire funeral service profession consolidating year after year and more recently accelerating on the supplier side.

Suppliers also feel the change in consumer preferences. Now with this merger we are demonstrating how to do this first-hand. Bigger may be better if you want to continue as a going concern. Should this make sense to licensees, we hope it becomes a successful path to regionally expand and leverage their businesses for more diverse and stable revenue streams in the future.

How will this merger impact the funeral profession?

We hope it will be perceived positively. Wilbert now has a large group of "company-owned stores" and can gain the experience of dealing first-hand with the funeral professionals who sell their products. Wilbert and the network of over 200 licensees have assisted the profession for over 80 years with products, programs and service to make the funeral professional's job a little easier.

How will the merger impact employees at both companies?



Dennis Welzenbach

We believe there will be very little impact. Since taking control in 2011, Suhor Industries has already blended many of the functions and roles to enhance efficiency. There were some redundancies early on that were eliminated, but we see none of that at this juncture.

The announcement spoke of "enhanced value" for customers. Can you explain that in greater detail?

Our primary customer is the Wilbert licensee. Currently we sell them raw material to manufacture vaults, cremation products for resale, perform research and development for new products, and provide quality assurance and control over our network. The enhancements will come with more product offerings to manufacture and sell, plus our assistance in obtaining more business opportunities.

VIEWPOINT

“Not only is Wilbert the largest and oldest brand in the industry, but it is now an even stronger brand.”

– Dennis Welzenbach

The announcement also mentioned “improving opportunities for other licensees to diversify.” Can you provide some examples?

Suhor Industries has been one of the leaders in diversification of the two core competencies possessed by most licensees: funeral service and precast concrete production.

On the funeral service side, Suhor Industries owns several crematories, sells both retail and wholesale monuments, has a cemetery construction division, a casket division and produces many precast products for residential, commercial and Department of Transportation uses across 13 states. Providing proven examples and business plans to emulate will hopefully bear fruit for those licensees who are forward thinkers.

Did rising cremation rates factor into the decision?

Not directly for this merger; however, the reason to consolidate and to diversify had its genesis in the decline of burial vault purchases due partially to cremation. This trend was seen long ago by many in the industry and helped accelerate consolidation.

Beyond its funeral industries products, Suhor Industries also produces precast concrete products for wastewater, construction and agricultural markets. This means Wilbert will be venturing into a new territory. What does this mean for the company?

It is incumbent on our management team to lead the license network and demonstrate what a licensee of the future may look like.

Providing options along our core competencies of precast products is definitely one direction. We believe our distribution system and locations are unique and can be leveraged for multiple precast product opportunities. Many are already doing this and are other examples of success. We just need more believers.

Will any Suhor Industries executives be assuming roles in Wilbert after the merger?

Again, most of these organizational changes were made back in 2011 shortly after Suhor Industries took control. We intend to further refine some duties and eliminate duplication where it may occur. Otherwise our structure will pretty much remain the same as it is today.

What is the most important news to come out of this merger?

Not only is Wilbert the largest and oldest brand in the industry, but it is now an even stronger brand. We are better off financially and have a very complete and mature management team. We can better benefit from that size with vendors, customer relationships and can be of greater assistance to our network. •

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