



An Interview with Mike & Janet Klett

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Mike and Janet Klett, along with Janet's cousin George D'Esopo, sold their Hartford, CT, based firm to SCI in April of 2016. Their business consists of 2 standalone funeral homes serving approximately 450 families in the Hartford area. We sat down with Mike and Janet to discuss their experience during and after the sale of their firm and get their input for other funeral firm owners.

How did you come to a decision to pursue a sale?

We had reworked our shareholder agreement continually, but as we grew older, we realized we needed a better plan to ensure the business continued in competent hands if something happened to us. After all, we are in the planning business. We had worked closely with Dale Espich since the 1980s and later with Johnson Consulting Group after he affiliated with them. We worked with them to put together a plan. Our children were pursuing their own passions outside of the funeral profession and it was clear they were not going to be involved. It was important to us to ensure that our business and our staff members' careers had a transition plan for the future.

What led you to select SCI for your sale?

SCI wasn't even on our radar when we began this process. We had an unfounded bias against SCI and perceived them just as the 800 pound gorilla. It was actually our son who convinced us we really needed to talk to all interested parties. We decided to put everyone on the list...in fact, we scheduled SCI first to get it over with! We met with Jay Waring and John Faulk and quickly realized they really understand funeral service at a local level. We came away from the meeting with an entirely different sense of the new SCI and what it would be like to partner with them. Jay Waring is a licensee from a family-owned business and he knows how hard it is to make this decision. SCI understood what we were trying to do. In hindsight, as we look across the different consolidators we met with - and what has happened to each - it is clear that our decision was the right one for us.

What was your experience working with SCI during the sale process?

Well, it was extraordinary from so many perspectives. Michael Lehmann in SCI's business development department is a gem to work with. We also had a great experience with the professionals at JCG, our accounting firm, our in-house business manager and our local law firm. And they all came away with the same conclusion: SCI made the process seamless. SCI's attorneys were flexible and efficient. And everyone's level of confidentiality was key to the process.

What has your role been since the sale?

On many levels, it has been a great transition for us personally. We are both still working at the funeral homes but have slowed down our schedule. It is great to come into work and see families and be at community events without having to run the day-to-day business and worry about long-range planning. In essence, we have been able to stay active without the stress. The benefits are great for our colleagues as well. Our talented, qualified staff knows how to provide great service and so they do not need us there every minute. For Janet specifically, her first thought was that she would stay home and retire - but now that she can do the things she enjoys at the funeral home with less stress, she enjoys coming in a lot more - and also enjoys working fewer hours.

How has your team and firm adapted to the sale?

We had concerns about two things. First was continuing the quality of our service levels. The second was that our staff would be able to stay and be treated fairly. Those would have been deal breakers if we had not been assured those two items would be maintained. We are pleased to say that our staff was maintained and, in fact, we have even added staff to allow us to step back a bit from operations.

What have you most enjoyed about selling your business?

Two things stand out. First, we enjoy days where, if our locations are not busy, we don't feel as though we need to be present, so we can actually take a day off. We were not really able to do that before as we felt compelled to be in the office every day and inevitably did so for long hours. Secondly, we feel like we are still involved in a family business. SCI is now a part of the family. Our relationship with Houston and regional leadership has been great and validates our decision to join SCI. We sleep a whole lot better at night and are still proud of our name, and we want to continue to be proud of it years from now.

What advice would you have for others considering a sale?

Three things that we have learned:

1. As we discussed earlier, it is important to have a plan. We are in the planning business. We have received a lot of phone calls from people wanting to know what it's like on the other side. We cannot overstate the need for a plan. We also benefited from good representation and advisors. The entire process takes more time than you might think. It could take 3-5 years to figure out what you want to do, put a plan together for the future, and execute that plan.
2. It is important to be adaptive to a transition. Change doesn't come easily in funeral service. We have had to manage through different administrative forms and we have had to get our team comfortable with that. But at the same time, we have had encouragement and support to do this and also to increase our outreach efforts. We've also appreciated that SCI has continued to invest in capital improvements to all three of our buildings.
3. Finally, we have learned that the general public doesn't care who owns the funeral home. They care about the level of service being provided. We were overly concerned about that. We are still family operated and people associate the firm with us still.