

# Rock of Ages Marketing Plan

August 18, 2007

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# Executive Summary

- Issues: Financial problems from 2005 & 2006 resulted in a limited marketing budget of \$650K and elimination of all new product activity.
- Objectives: Develop an effective “go-to-market” strategy for the retail division that will aid in the recovery, and provide new market opportunities.
- Strategy:
  - Improve retail division revenues by capturing greater share of market for present line of products.
  - Inaugurate 2 new lines of business (pet memorials & columbaria).
- Actions:
  - Develop new Web site for retail division.
  - Aggressively pursue mausoleums, civic projects and plaques for buildings.
  - Award advertising dollars based on a retail store’s market potential vs revenues.
  - Promote the wider use of columbaria.
  - Develop market for memorial stones and plaques in pet cemeteries.
  - Design dashboards and scorecards to track marketing & sales achievements.
- Expected Outcomes:
  - Implementing the Actions outlined above is expected to result in capturing from 1% - 12% of market share for new lines of business, progressively during the coming 5 years, and to increase sales of present products by an average of nearly 6% annually.

## Current Situation & Trends

- Tribute Direct
  - Free Shipping Nationwide
  - \$850 to \$2640
  - Special internet discount rates
  - Around the clock hospice trained counselors; live chat available
  - Will assist in planning the funeral; research for cemeteries
  - User friendly website

- West Memorials
  - Free shipping
  - Customized
  - \$820 - \$1470 for cast bronze on granite base
  - No price list for uprights
  - Also advertise mausoleum & columbarium
  - User friendly website

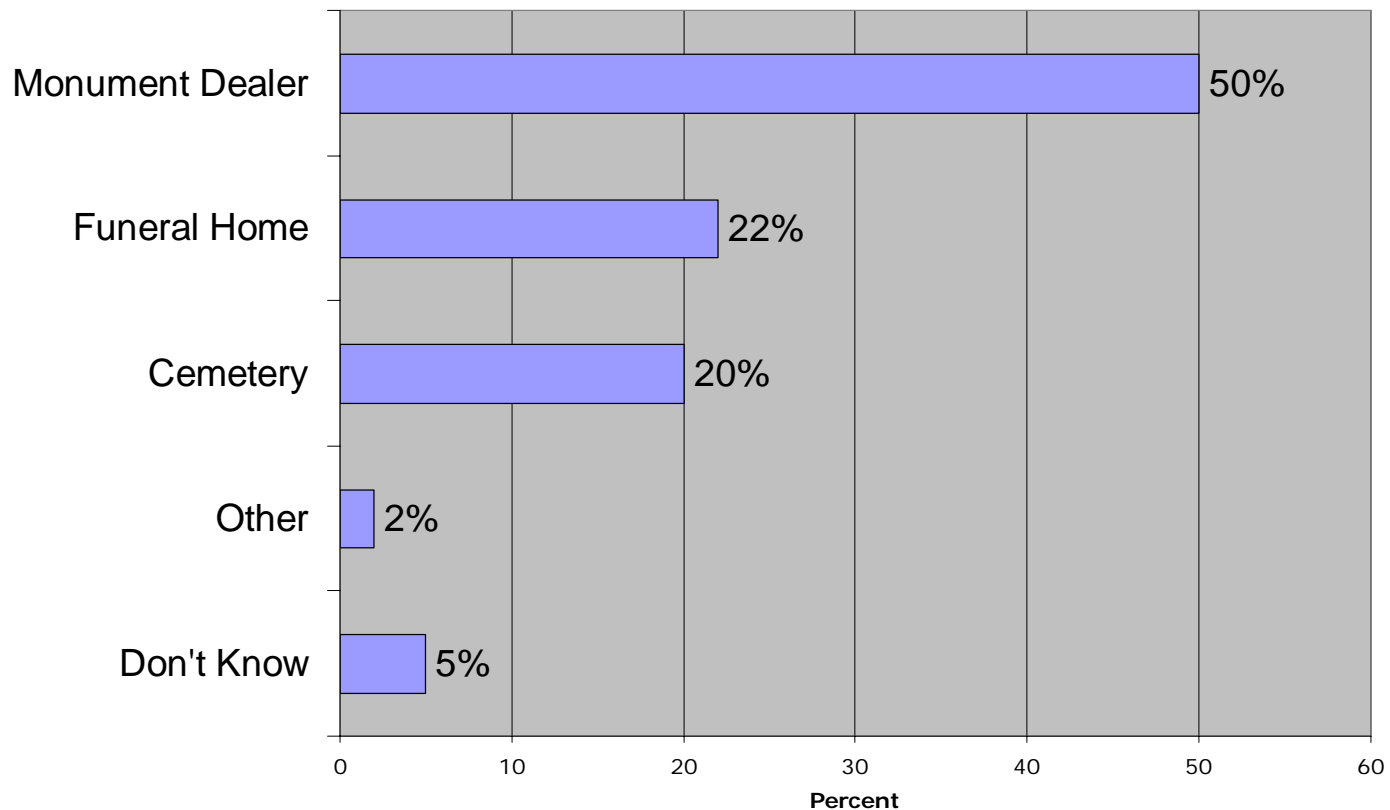
- Eagle Memorials
  - Low shipping costs
  - Made to order; delivers in 2 weeks
  - Choice of granite color
  - Also do Pet Headstones, enduring stone signs for parks, golf courses.

***Industry Average for Upright Monuments is \$800; ROA average is \$2700.***

## Current Situation & Trends (cont.)

### Upright Monuments & Memorials - Consumer Trends

#### Where Did You Go to Purchase the Memorial?



# Current Situation & Trends (cont.)

## Cemetery Breakdown

- Cemetery Consolidators
  - 10-15% -
  - SCI, Alderwoods, Stewart, etc.
- -Catholic Cemeteries
  - 40-50%
  - Controlled by individual Archdioceses
- -Municipally Owned
  - 25-30%
  - Supported Primarily by towns and cities
- -Family Owned, other Churches, etc.
  - 10-15%
- 20-30 National Historic Landmark Cemeteries

## Current Situation & Trends (cont.)

### Mausoleums - Overview

- **Fortress Mausoleum**

- Manufacture, deliver, and install anywhere in the world
- No prices listed, but “less expensive than in-ground burials”
- Available 24 hours a day, 7 days a week

- **Granite City Monuments**

- Will design for customer if the standard product is not what is desired
- \$5350 for basic single box; double costs \$11,100.
- Product line for up to 6-8 person mausoleum
- Ship in 10 days

***For their civic duty Fortress helped restore a Katrina destroyed cemetery***

## Current Situation & Trends (cont.)

### Civic Projects – Competition

- Holian Granite & Bronze in Kentucky.
  - Completed projects include Veterans Memorials, Firefighters, and Parks. Upcoming project – Fighting Terrorism Memorial.
- Cold Spring Granite in Minnesota
  - Projects include Korean War Memorial in DC and Philadelphia, F.D.R Memorial, Mount Rushmore Visitors Center entrance, Peace Officer memorials.
- Several of the projects are east coast based and taking away from ROA customer base.



## Current Situation & Trends (cont.)

### Pet Markets & Headstones - Overview

- Competition: T&S Pet Memorials, Pet Praise Memorials, and Holian Granite & Bronze (as a subset of regular memorials)
- Price Ranges:
  - Head Stones: \$75 - \$400
  - Rock or Bronze Urns: \$75 - \$150
  - Garden Memorials: \$195 - \$495
- Business is growing as more pet owners desire to memorialize their pets.

## Current Situation & Trends (cont.)

### Columbarium - Overview

- New trend for memorializing family members who desire to be cremated
- 288 memorials fit on a Columbarium the size of a grave site.
- Modular & easy to transport
- Totem design allows for an entire family in a very small footprint
- Other dealers producing lightweight and non-rock type columbarium.

# The Competition

## Current

- Memorials Segment Composes 38.8% of total sales (\$197.377 million, and 55.6% of Total Profits (\$54.337 million in 2004)
- Principal customers are cemeteries and memorial parks
- Bronze Division is world's leading supplier of cast metal memorial and architectural products
- ROA Purchases from Matthews: ~\$250,000 annually
  - .13% of Matthews Bronze Sales
- The largest provider of granite and bronze memorial products in the United States<sup>1</sup>
- Estimated sales: \$62.5 million<sup>2</sup>
- Owns and operates 30 quarries and 5 manufacturing facilities in North America, including a bronze foundry
- ROA purchases from Cold Spring: ~\$1.25 million annually
  - Approximately 2% of their total sales

Matthews Bronze

Cold Spring Granite Company

# The Competition

## Anticipated New

- Pet Markers & Headstones
- Military
- Focused on Terrorism Memorials
- Large selection of Pet Memorials and growing

Holian Granite & Bronze

- Columbarium
- Fast growing business

Columbarium.net

- Mausoleums
- Western US Market
- Civic Projects & Building Plaques
- Network of field sales reps focus on cemetery owners and monument retailers throughout the United States.
- Growth continues

Cold Spring Granite

# Market Channels

## Current

- 22,000+ Funeral Homes in the US
- 300 Casket Sellers
- 80% of industry consists of independently-owned businesses
- Largest funeral home companies are SCI (1,200 funeral homes), Alderwoods Group (700), and Stewart Enterprises (240)
- 1,155 Crematories
- Estimated 3,000 retailers selling upright granite monuments
- “On-line direct to consumers” is a thriving initiative.
- Reduced prices and free delivery offered as incentives to lure customers.

Funeral Homes -  
Crematories

Consumer Direct

# Market Channels

## Anticipated New

- Direct to Customer via Internet
- Retail Distributors
- Conventions/Trade Shows
- Print Media
- Animal Rescue Associations
- DoD Contracts
- Direct to Military Retirees & Families
- Local Government Contracts for Mausoleums, Buildings, Civic Projects
- Army, Navy, & Air Force Times publications

Pet Memorials

Military - Government

# Past Performance

## Retail Segment Analysis

- Revenues in retail operations
  - For 2006, retail revenues were down 16% from the prior year.
  - On a same-store basis, revenues were down 6%, or \$2 million.
  - Gross profit dollars for the retail operations in 2006 were down 15% from the 2005 level.
  - Gross profit as a percentage of revenue was 52.6%, up 0.5% from 2005.
  - SG&A expenses in retail in 2006 were down 32% from the prior year, excluding restructuring costs of \$1,685,000.
- Significant changes were made in the retail segment early in the 2d quarter of 2006:
  - Because of continuing sales declines and margin erosion, management concluded it was unlikely that there would be significant growth in this division in the near term.
  - Management further concluded that the cost of the infrastructure in the retail division was not sustainable at current revenue and profit levels.
  - Accordingly, four senior positions were eliminated, a more streamlined management structure was put in place and a "back to basics" philosophy was adopted by the new retail division leadership.
  - Annual savings from the position eliminations are expected to be approximately \$1.2 million.
  - Improvement in revenue and margin, and additional cost reductions are also expected, but can not be quantified.

# Key Issues

## Opportunities & threats, strengths & weaknesses in the upcoming year.

- The greatest opportunities are for large civic projects and mausoleums. The wholesale margin and revenue for these projects is 100:1 better than for retail business. ROA will increase its active involvement in civic events and fundraisers toward garnering contracts for local memorials and building plaques.
- Mausoleums are a potential opportunity with Stewart enterprises who own over 800 cemeteries.
- The pet memorial market is expanding and offers immense opportunity for a company such as ROA that provides products of the highest quality.
- Chinese suppliers pose a threat due to cheap labor. China purchases proprietary color granite from ROA, however finished products are sold at prices ROA cannot match. ROA can compete with this threat based on its reputation for quality, its unsurpassed warranty, and superb customer service.
- Another threat is Crematoriums, since an increasing number of persons are scattering the ashes of their loved ones, as opposed to purchasing a perpetual memorial. ROA can meet this challenge by developing affiliations with crematoriums toward encouraging the use of memorial plaques, urns and columbarium.
- ROA is weak in the use of technology, both to promote its products, as well as to track & analyze the metrics that can provide management with the information it needs to determine the optimal marketing and sales tactics. Separating the Retail Division's Web site from those of the other ROA divisions, coupled with implementation of dashboard reports (as demonstrated in the "Controls" segment of this presentation) can overcome the current technical weaknesses.



# Objectives

## Retail Revenues, Marketing Contribution & ROI

	2008	2009	2010	2011	2012	2013
Retail Sales Revenues	\$33,527,500	\$ 39,723,875	\$ 44,869,139	\$51,495,442	\$55,513,337	\$ 61,214,213
Var Costs	\$17,626,413	\$ 20,884,033	\$ 23,589,052	\$27,072,699	\$29,185,027	\$ 32,182,148
Gross Profit	\$15,901,087	\$18,839,842	\$21,280,087	\$24,422,743	\$26,328,310	\$29,032,065
Marketing & Sales Expenses	\$692,499	\$727,124	\$763,480	\$801,654	\$841,737	\$883,824
Net Marketing Contribution	\$15,208,588	\$18,112,718	\$20,516,606	\$23,621,089	\$25,486,573	\$28,148,241
Marketing ROI	4842%	5463%	5877%	6424%	6595%	6926%
ROI Delta	171%	622%	414%	547%	171%	331%

### Assumptions:

1. Based on Retail Segment Analysis, contained in 2006 10k filings, as well as on information obtained during discussions with ROA marketing managers, it is assumed that total Retail revenues for 2008 may exceed those of 2006 by \$2M+, without adding new lines of business. Thereafter, revenues will increase, as depicted in the subsequent Revenue Forecast slides.
2. It is anticipated that the Pet Memorial and Columbarium lines of business will further enhance retail revenues by 8.86% during FY 2008, and approx.10% each year thereafter, for 5 years (based on Bass Diffusion Curve Analysis for predicting sales for new products), as depicted in the marketing forecast slides which follow.
3. In order to capture market shares for Pet Memorials and Columbaria, as calculated in the Revenue Forecasts, ROA will employ guerrilla tactics by increasing the advertising & marketing budgets by 5% each year for 5 years.

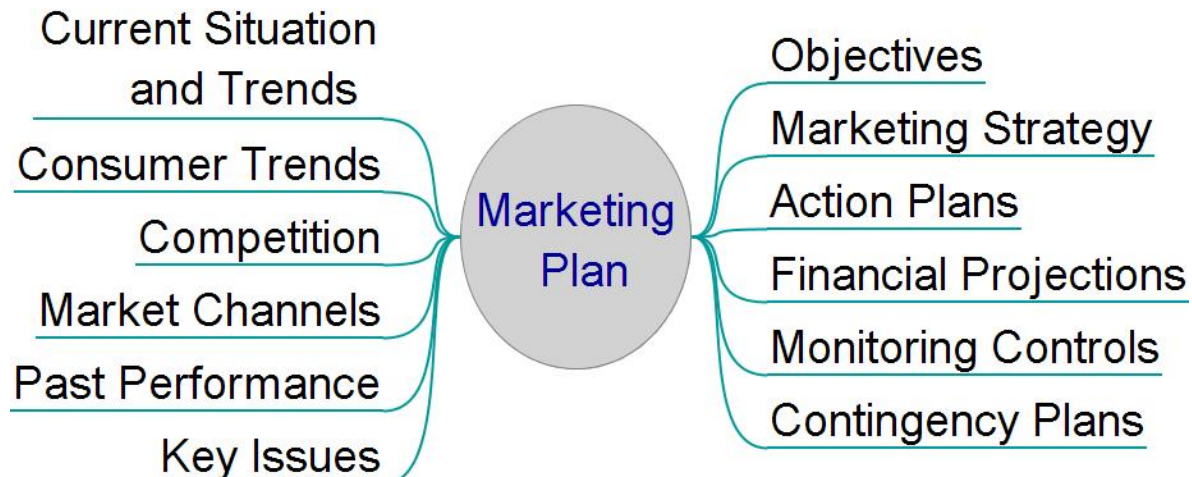
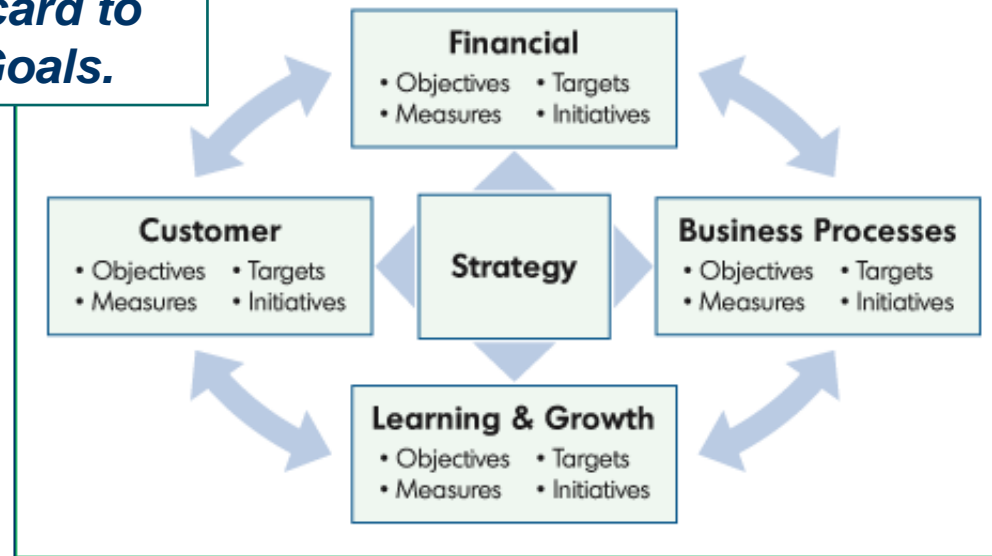
# Marketing Strategy

- Strategy:
  - Improve retail division revenues by capturing greater share of market for present line of products.
  - Inaugurate 2 new lines of business (pet memorials & columbaria).
- Actions:
  - Develop new Web site for retail division.
  - Aggressively pursue mausoleums, civic projects and plaques for buildings.
  - Award advertising dollars based on a retail store's market potential.
  - Promote the wider use of columbariums.
  - Develop market for memorial stones and plaques in pet cemeteries.

***Marketing Plan supports Strategic Objectives of Balanced Scorecard to meet Financial Goals.***

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### The Balanced Scorecard



# Marketing Objectives - Balanced Score Card

## ROA's Strategic Plan for Regaining Dominance

### Financial Perspective

Improve Retail  
Division Profits

Improve  
Market  
Share

Expand  
Lines of  
Business

(Click on Title to Expand)

### Customer Perspective

Excellent  
Service and  
Brand Image

Highest Quality

Sensitive to  
Families

Appealing Designs

### Internal Perspective

Develop Retail Division to  
be the growth engine for  
the entire company.

### Learning Perspective

Strategic  
Jobs  
Sales  
Counselors

Strategic  
Systems  
Retail Division

Improve Relationships & Alliances

# Balanced Score Card

## Financial Perspective



[\(click here to return to BSC\)](#)

Objectives	Measurement	Target	Initiative
<ul style="list-style-type: none"><li>- Improve sales productivity</li><li>- Increase market</li><li>- Increase sales of large monuments &amp; civic projects</li><li>- Create new sources of revenue</li></ul>	<ul style="list-style-type: none"><li>- Amount sold in each retail store</li><li>- Capture larger % of U.S market</li><li>- Any increase in sales and additional civic projects.</li><li>- Columbarium, Mausoleums, Pet memorials</li></ul>	<ul style="list-style-type: none"><li>- \$400K</li><li>- 25%</li><li>- 1 per month</li><li>- 20% increase in new business</li><li>- 10% increase</li></ul>	<ul style="list-style-type: none"><li>- Incentives for sales personnel.</li><li>- New “Go-to-market” strategy</li><li>- Market community projects.</li><li>- Internet Advertising, aggressive salespersons</li></ul>

# Balanced Score Card

## Customer Perspective

Excellent Service and Brand Image	Highest Quality	Sensitive to Families
	Appealing Designs	

[\(click here to  
return to BSC\)](#)

Objectives	Measurement	Target	Initiative
<ul style="list-style-type: none"><li>- Create market by name recognition</li><li>- Create Partnerships</li><li>- Become part of each community</li><li>- Aggressively pursue civic projects</li><li>-Expand customer base to pet owners and trend-setting generation</li></ul>	<ul style="list-style-type: none"><li>- Amount of ROA products vs other brand</li><li>- Increase 3-P alliances</li><li>- Join professional, social or volunteer organizations; Raise money for civic projects</li><li>- Reach out to families with pets; individuals who prefer cremation or spreading of ashes</li></ul>	<ul style="list-style-type: none"><li>- 100%</li><li>- At least 15% of all funeral homes</li><li>- At least one member in each geographic location.</li><li>- 20% increase the first year.</li></ul>	<ul style="list-style-type: none"><li>- Market ROA brands</li><li>- Award Ad \$ based on market potential</li><li>- At the discretion of each ROA retail owner. At least one on-going civic project.</li><li>Market to the core audience; personalize the ads to reach the specific group.</li></ul>

# Balanced Score Card

## Internal Perspective

Develop Retail Division to be the growth engine for the entire company.

[\(click here to return to BSC\)](#)

Objectives	Measurement	Target	Initiative
<ul style="list-style-type: none"><li>- Acquire the proper retail locations</li><li>- Create lifetime alliances</li><li>- Manage the brand and educate the potential customers</li></ul>	<ul style="list-style-type: none"><li>- % of unprofitable retail stores</li><li>- Repeat sales to family members</li><li>- Customers that ask for ROA memorials by name.</li></ul>	<ul style="list-style-type: none"><li>- 0% in the red</li><li>- 25% of families return.</li><li>- 100%</li></ul>	<ul style="list-style-type: none"><li>- Divest of poor performing retail stores</li><li>- Ensure satisfied customers on first sale.</li><li>- Advertise in geographic specific publications.</li></ul>

# Balanced Score Card

## Learning (Human Growth) Perspective

Strategic  
Jobs  
Sales  
Counselors

Improve Relationships & Alliances

Strategic  
Systems  
Retail Division

[\(click here to return to BSC\)](#)

Objectives	Measurement	Target	Initiative
<ul style="list-style-type: none"><li>- Train Sales Personnel</li><li>- Develop Support System (Accounting &amp; Personnel)</li><li>- Align all retailers with ROAC initiatives and culture</li><li>- Improve relationships with Funeral Homes and customers</li></ul>	<ul style="list-style-type: none"><li>- Strategic Job Readiness for all sales personnel</li><li>- Fully staffed retail stores &amp; one integrated accounting systems</li><li>- Meet ROAC metrics in every retail location</li><li>- Cultural Awareness</li><li>- Increase in number of 3-P members</li></ul>	<ul style="list-style-type: none"><li>- 100% of all sales personnel are trained</li><li>- No vacancies</li><li>- One accounting system</li><li>- 15% EBIT at every store</li><li>- 100%</li><li>- 15 % of all funeral homes</li></ul>	<ul style="list-style-type: none"><li>- Develop in house training and mentoring program - -</li><li>- Aggressive hiring and retention program</li><li>- Communications and training plan.</li><li>- Personal contact with each funeral director.</li></ul>



# Action Plans

## Target Markets

- Target market – Pet owners
  - Action: Internet advertising. Adword.google.com for \$.10 per internet hit
  - Action: Market boarding kennels, veterinarians, groomers and Pet stores.
  - Action: Establish new product line for pets
- Target market – Families of loved ones who have been cremated
  - Action: Establish new product line - Columbaria
- Target market – Civic Organizations
  - Action: Appeal to communities who have lost military members in the war.
  - Action: Assist communities in fundraisers to build memorials

# Action Plan – 4 P's

## Product: Memorials

### Place

- Direct or retailers
- Inclusive Market Coverage
- Use existing company owned (110) and independent retailers (75)
- Use existing facilities for storage
- Order on-line or at retail facility
- Transport via ground trucking company, batch whenever possible

### Promotion

- Local Advertising and internet
- Add prices to website
- On-line sales rep and existing retail sales force
- Offer discounts for internet sales (10%)
- Emphasis on military families

### Pricing

- Pricing strategy: Reduce price (\$2700) to pull business from competitors
- Suggested retail price: \$1000 - \$1300 (industry average is \$800)
- Offer volume discounts and wholesale pricing to independent retailers
- Offer cash and early payment discounts (15%)
- Price flexibility for military families

# Action Plan – 4 P's

## Product: Mausoleums

### Place

- Direct or retailers
- Inclusive Market Coverage
- Use existing company owned (110) and independent retailers (75)
- Use existing facilities for storage if practical
- Order on-line or at retail facility
- Transport using ground trucking company partnership

### Promotion

- Local Advertising and internet
- On-line sales rep and existing retail sales force
- Offer 10% discounts for internet sales & advertise prices
- Focus on memorializing “Family”
- Emphasize “less expensive” than in-ground burials.

### Pricing

- Pricing strategy: Research the current market and beat the average
- Suggested retail price: \$5000 for single/\$11,000 for double
- Offer volume discounts and wholesale pricing to independent retailers
- Offer cash and early payment discounts (10%)
- Price flexibility for larger mausoleums for entire families, i.e. 6 to 8 people

# Action Plan – 4 P's

## Product: Civic Projects

### Place

- Direct or retail
- Inclusive Market Coverage
- Use existing company owned (110) and independent retailers (75)
- Use existing transportation hubs
- Order through sales rep in person; face to face if large project
- Order on-line or at retail location for plaques and small projects

### Promotion

- Local Advertising and internet
- On-line sales rep and existing retail sales force make personal visits
- Offer to assist with fundraisers
- Focus on memorializing loved ones lost during the war
- Appeal to sense of patriotism
- Appeal to Community's sense of purpose

### Pricing

- Pricing strategy: Variable depending on size of project
- Suggested retail price: \$500 for basic plaques; up to \$1M for a large community project
- Offer to lead fundraiser and provide a percentage of the purchase price as a gift to the community.
- Offer early payment discounts (10%) for the community

# Action Plan – 4 P's

## Product: Columbaria

### Place

- Direct or retailers
- Inclusive Market Coverage
- Use existing company owned (110) and independent retailers (75)
- Use existing facilities for storage if practical
- Order on-line or at retail facility
- Transport using ground trucking company partnership, batch if possible

### Promotion

- Local Advertising and internet
- On-line sales rep and existing retail sales force
- Offer 10 - 15% discounts for internet sales & advertise prices
- Focus on "Family" totem style
- Emphasize inexpensive option for cemeteries to purchase 288 cube design, and re-sale each cube space for profit

### Pricing

- Pricing strategy: Research the current market and beat the average
- Suggested retail price: Variable depending on size; Starting at \$800 for Family Totem/\$2500 for 288 cube style
- Offer 15% discounts to cemeteries for 288 cube style
- Offer volume discounts and wholesale pricing to independent retailers
- Offer cash and early payment discounts (10%)

# Action Plan – 4 P's

## Product: Pet Memorials & Monuments

### Place

- Direct or Pet-centric retailers
- Selective Market Coverage
- Pet Stores, Vets, Animal Rescues
- Use existing facilities for storage and distribution
- Order on-line or at selected retailers
- Transport via Fed-ex or ground trucking with other memorials

### Promotion

- Internet & local Pet-centric locations
- On-line sales rep and retail sales force
- Offer 10% discounts for internet sales
- Focus on pets being part of the family
- Emphasize new product line

### Pricing

- Pricing strategy: Penetration
- Suggested retail price: \$75 - \$400 for stones & Rock Urns/\$200 - \$450 for memorial gardens
- Offer wholesale pricing to independent pet-centric retailers

# Action Plan Timeline

- Quarter 1
  - Develop separate website for Direct sales of all products
  - Begin Advertising for Pet line of products on Google (“coming soon”)
  - Determine pet product interest from number of “hits”
  - Complete market research for competitors pricing of memorials, mausoleums, columbarium, pet headstones, etc
- Quarter 2
  - Begin retail sales of the Pet line of products on internet only
  - Launch Website with competitive prices for all products (10-15% less than if purchased at retail dealers)
  - Determine Civic opportunities and establish contact with local organizations
- Quarter 3
  - Move pet product line to retail pet-centric locations
  - Begin local fund raising for at least one civic project
  - Monitor sales of all new product lines and report findings to ROA
- Quarter 4
  - Conduct analysis on success of first three quarters.
  - Make adjustments as necessary

# Revenue Forecasts – 5 yrs

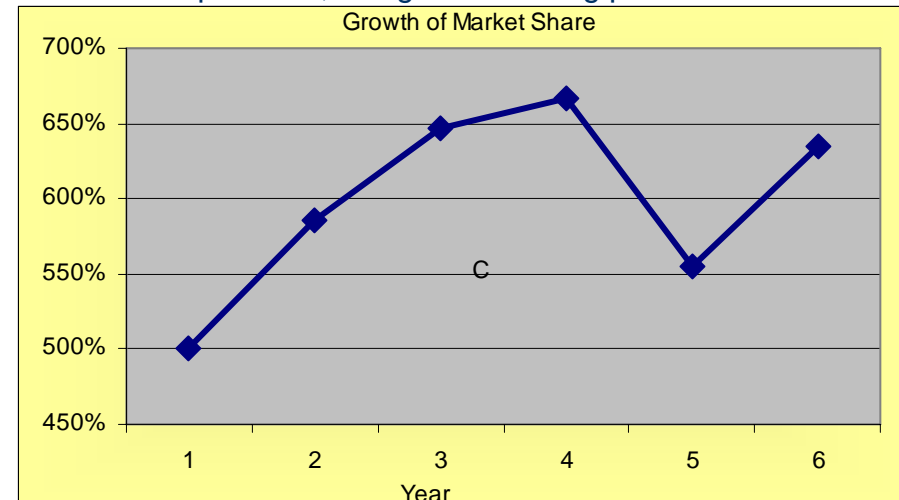
Year	ROA Mkt Share	Headstones	Revenues	Urns	Revenues	Memorials	Revenues	Total
2008	1%	100	\$ 20,000	950	\$ 95,000	500	\$ 175,000	\$ 290,000
2009	5%	2925	\$ 585,000	5558	\$ 555,750	2925	\$ 1,023,750	\$ 2,164,500
2010	7%	6334	\$ 1,266,878	8597	\$ 859,667	4525	\$ 1,583,598	\$ 3,710,144
2011	10%	13328	\$ 2,665,662	12662	\$ 1,266,189	6664	\$ 2,332,454	\$ 6,264,306
2012	12%	18276	\$ 3,655,267	12648	\$ 1,264,846	6657	\$ 2,329,979	\$ 7,250,091
2013	15%	24964	\$ 4,992,811	18086	\$ 1,808,595	9519	\$ 3,331,623	\$ 10,133,030

**\$29,812,070**

Based on Bass Diffusion Curve Analysis for predicting sales for new products, using the following parameters:

	Headstones	Urns	Memorials
Saturation Sales	1000000	750000	500000
Innovation Coefficient	0.1	0.1	0.1
Imitation Coefficient	0.3	0.3	0.3

- Head Stones: \$75 - \$400
- Rock or Bronze Urns: \$75 - \$150
- Garden Memorials: \$195 - \$495





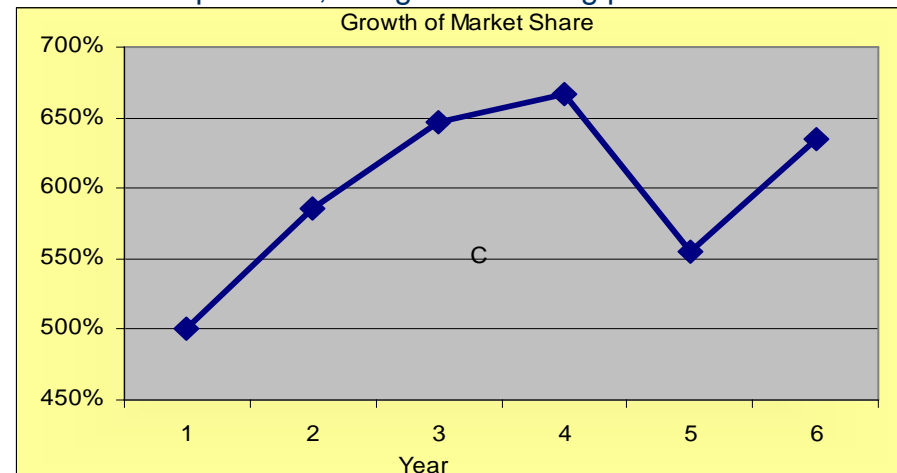
## Revenue Forecasts – 5 yrs

Year	ROA Mkt Share	Columbarium	Revenues
2008	1%	350	\$ 437,500
2009	5%	2048	\$2,559,375
2010	7%	3167	\$3,958,995
2011	10%	4665	\$5,831,136
2012	12%	5331	\$6,663,246
2013	15%	5825	\$7,281,183
			<b>\$26,731,435</b>

Based on Bass Diffusion Curve Analysis for predicting sales for new products, using the following parameters:

	Columbarium
Saturation Sales	350000
Innovation Coefficient	0.1
Imitation Coefficient	0.3

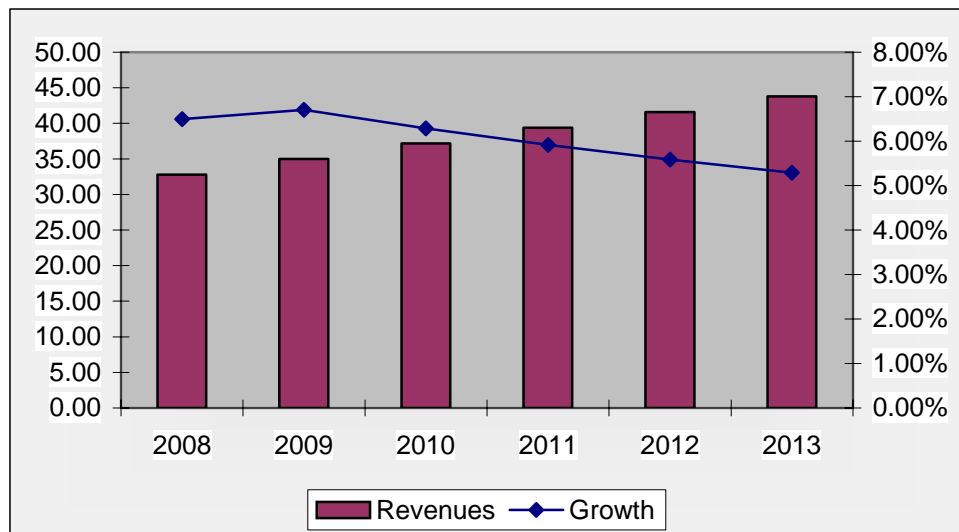
– \$1250 @ 30 niches per columbarium



## Revenue Forecasts – 5 yrs

Year	Monuments, Mausoleums, Civic Projects, Other Retail Revenues (X \$1 Million)	Growth
2008	32.80	6.49%
2009	35.00	6.71%
2010	37.20	6.29%
2011	39.40	5.91%
2012	41.60	5.58%
2013	43.80	5.29%

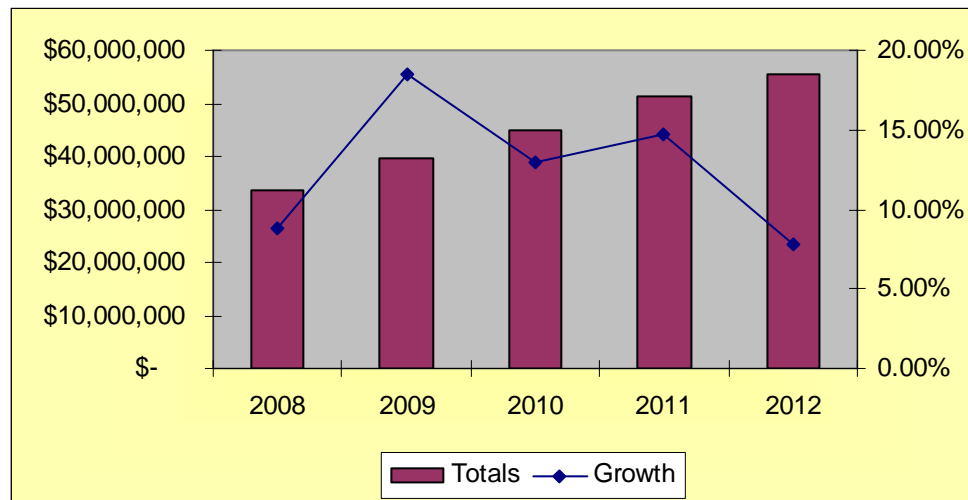
**\$229,800,000**



## Revenue Forecasts – 5 yrs

<i>Year</i>	<i>Pet Memorials</i>	<i>Columbaria</i>	<i>All Other Retail</i>	<i>Totals</i>	<i>Growth</i>
2008	\$ 290,000	\$ 437,500	32,800,000	\$ 33,527,500	8.86%
2009	\$ 2,164,500	\$2,559,375	35,000,000	\$ 39,723,875	18.48%
2010	\$ 3,710,144	\$3,958,995	37,200,000	\$ 44,869,139	12.95%
2011	\$ 6,264,306	\$5,831,136	39,400,000	\$ 51,495,442	14.77%
2012	\$ 7,250,091	\$6,663,246	41,600,000	\$ 55,513,337	7.80%
2013	\$ 10,133,030	\$7,281,183	43,800,000	\$ 61,214,213	10.27%

**\$286,343,506**



# Historical Marketing Efficiency

<b>Local Advertising</b>	<b>\$ 467,200</b>
<b>Sales Materials (Price books)</b>	<b>\$ 143,437</b>
<b>Training (HR)</b>	<b>\$ 5,052</b>
<b>Market Research</b>	<b>\$ 430</b>
<b>ROAM Promotions</b>	<b>\$ 35,355</b>
<b>ROAM Local PR (Open House)</b>	<b>\$ 8,049</b>

<b>Retail Revenues</b>	<b>\$ 30,807,000</b>
<b>Gross Profit:</b>	<b>\$ 16,196,000</b>
<b>Marketing Costs</b>	<b>\$ 659,523</b>
<b>NMC</b>	<b>\$ 15,536,477</b>

**Total budget of \$659,523**

**ROI: 4671%** (revenues:ad' costs)

# Forecasted Marketing Efficiency

Year	Mkt Budget	NMC
2008	\$ 692,499	\$15,208,588
2009	\$ 727,124	\$18,112,718
2010	\$ 763,480	\$20,516,606
2011	\$ 801,654	\$23,621,089
2012	\$ 841,737	\$25,486,573
2013	\$ 883,824	\$28,148,241

Average annual budget:  
\$785,053

Average annual NMC:  
\$21,848,969

# Controls

## Dashboards

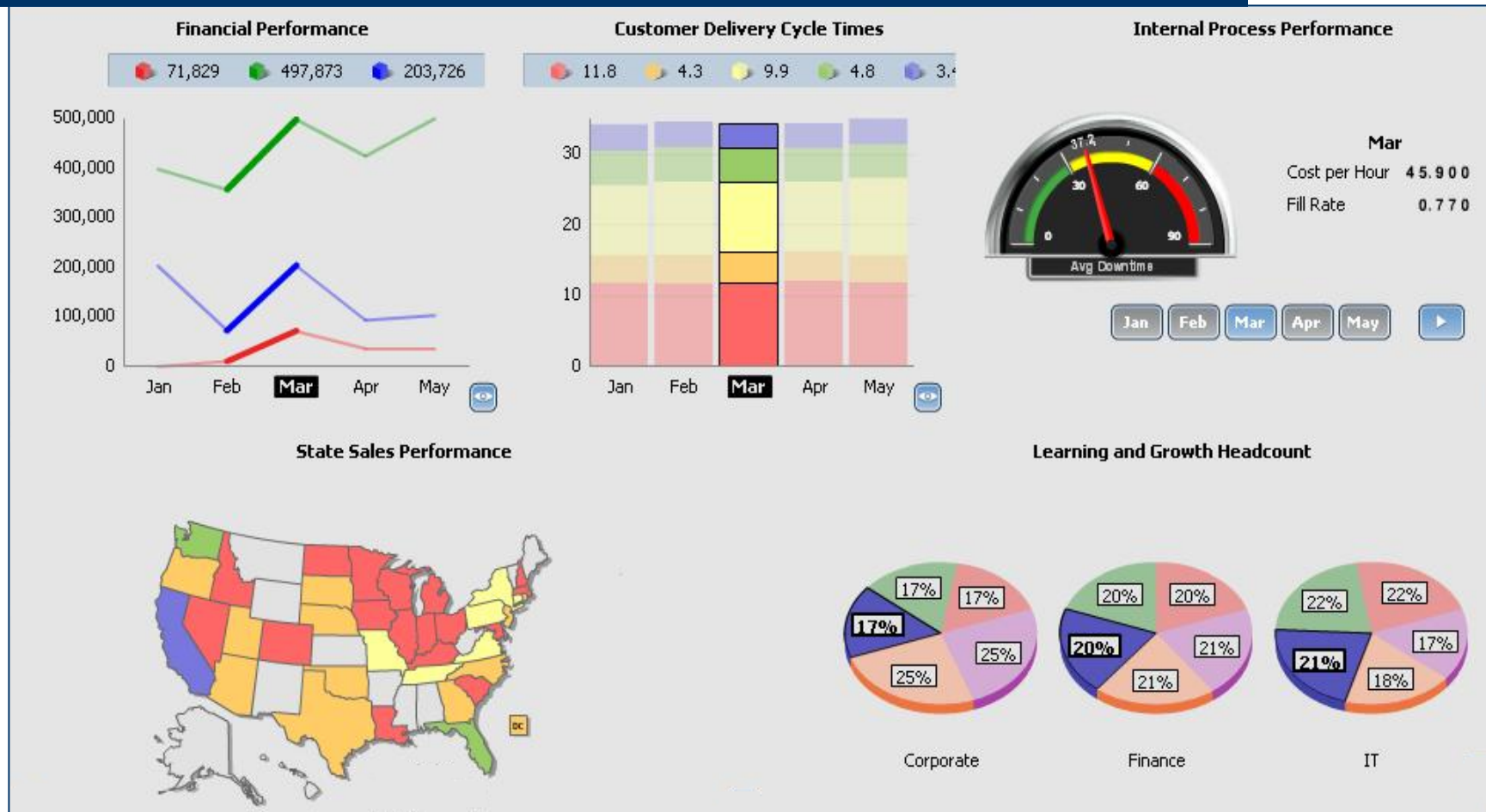
- Metrics will be gathered and displayed in several sets of dashboards, in order that management can determine “at a glance” exceptions to anticipated performance.
- Dashboards will be created to monitor performance in the areas of:
  - Balanced Scorecard goals
  - Marketing
  - Sales
- Dashboards will have “drill down” capability, in order that managers can access detailed metrics.
- Dashboards will contain visual and e-mail “alerts” to warn appropriate individuals when a metric is outside established parameters.

### 5 Keys to Building Effective Dashboards

- Build cross-functional alignment on role of marketing in ROA.
- Map knowledge base to identify critical metrics.
- Provide financial (versus purely strategic) framework for bridging short- and long-term results from marketing investments.
- Build comprehensive brand scorecard.
- Design highly engaging user interface.
- Examples follow:

# Controls – Balanced Scorecard

## Balanced Scorecard Goal Accomplishment



# Controls - Marketing

## Dashboards will display marketing performance

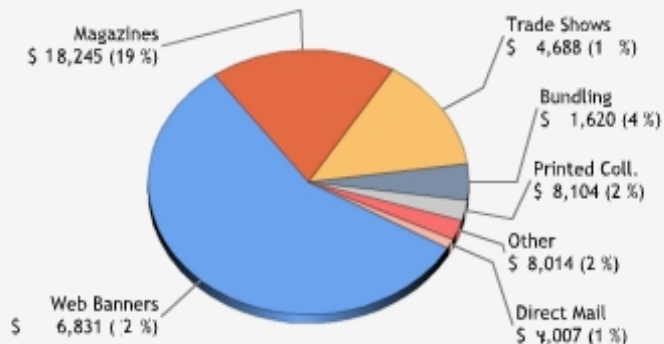
- Metrics & Analytics that may be included in marketing dashboards:
  - Revenues versus expenditures
  - Marketing Budgets versus Costs
  - Promotional campaign effectiveness
  - Web page traffic metrics for Search Engine Optimization (SEO) to evaluate site visitor motivations.
  - Web trends and click-stream analysis
  - Competitive analysis
  - Industry trend summaries.
  - Customer Analysis
  - Market share trends



# Controls - Marketing

## Marketing Expenses:Revenues - 2008

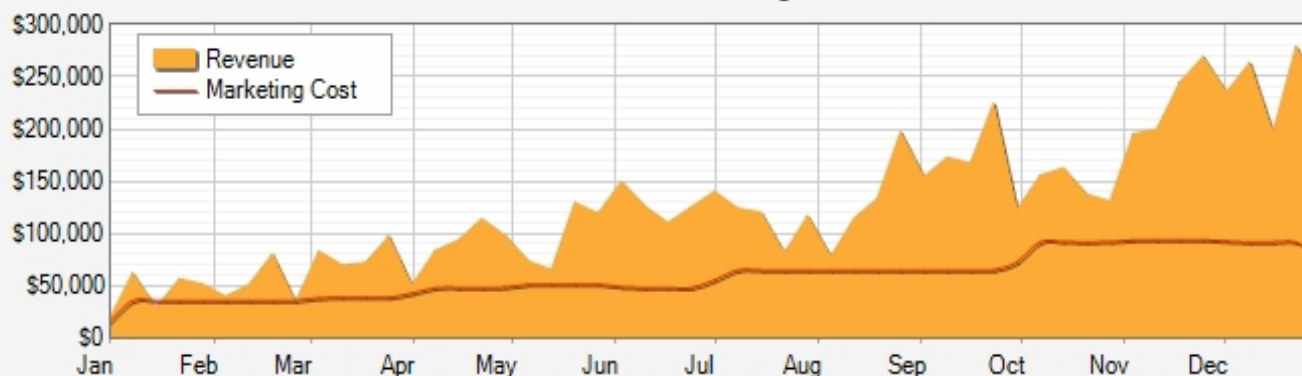
Total Marketing Expenses 2008



Upcoming Expenses

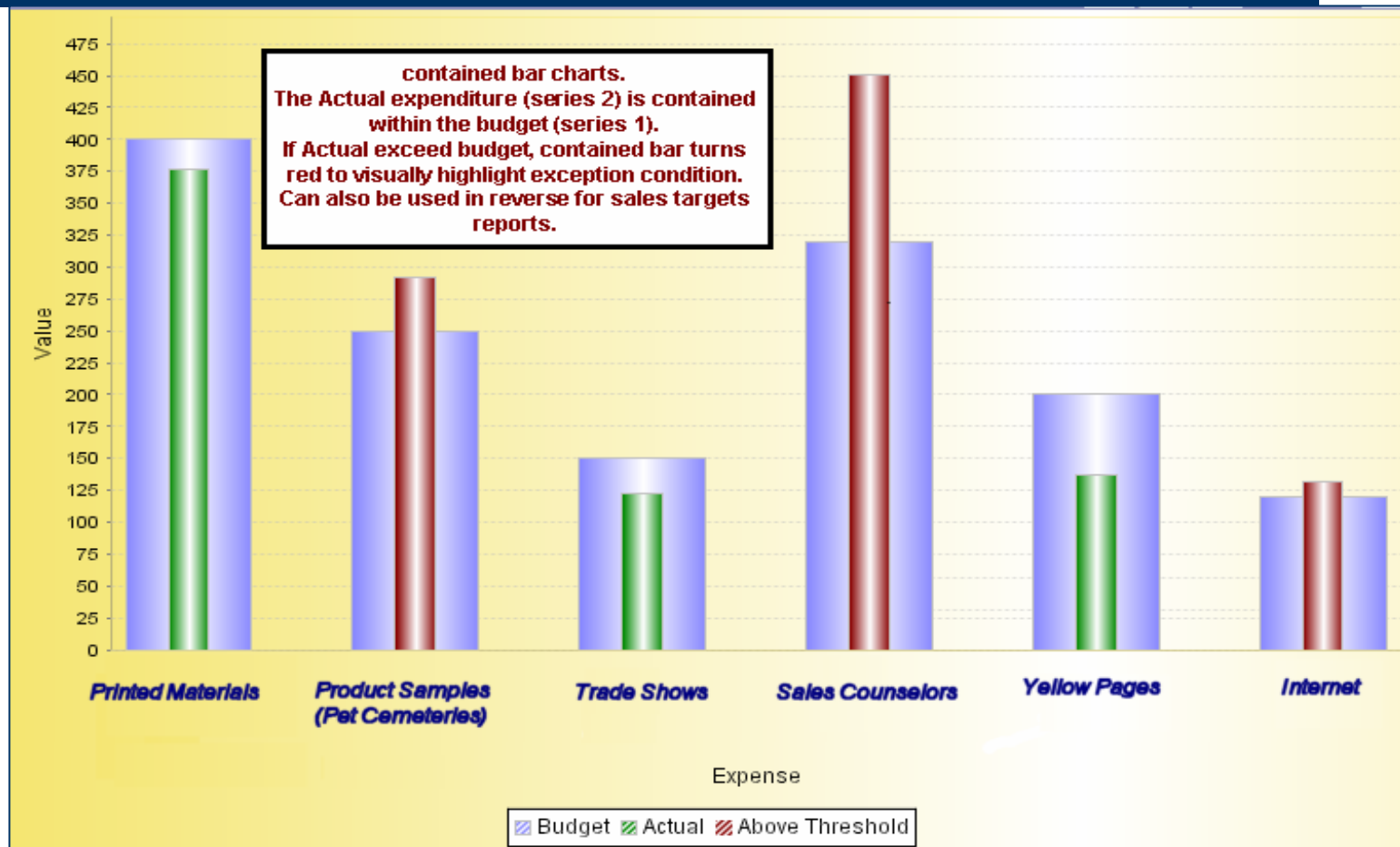
Date	Cost	Description
2/2/2008 12:00:00 AM	6000	Trade Show in Dallas.
3/7/2008 12:00:00 AM	17000	A new 2 page ad in Magazine
4/12/2008 12:00:00 AM	45000	Sending free evaluation product to pet cemeteries

Revenue vs Marketing Cost



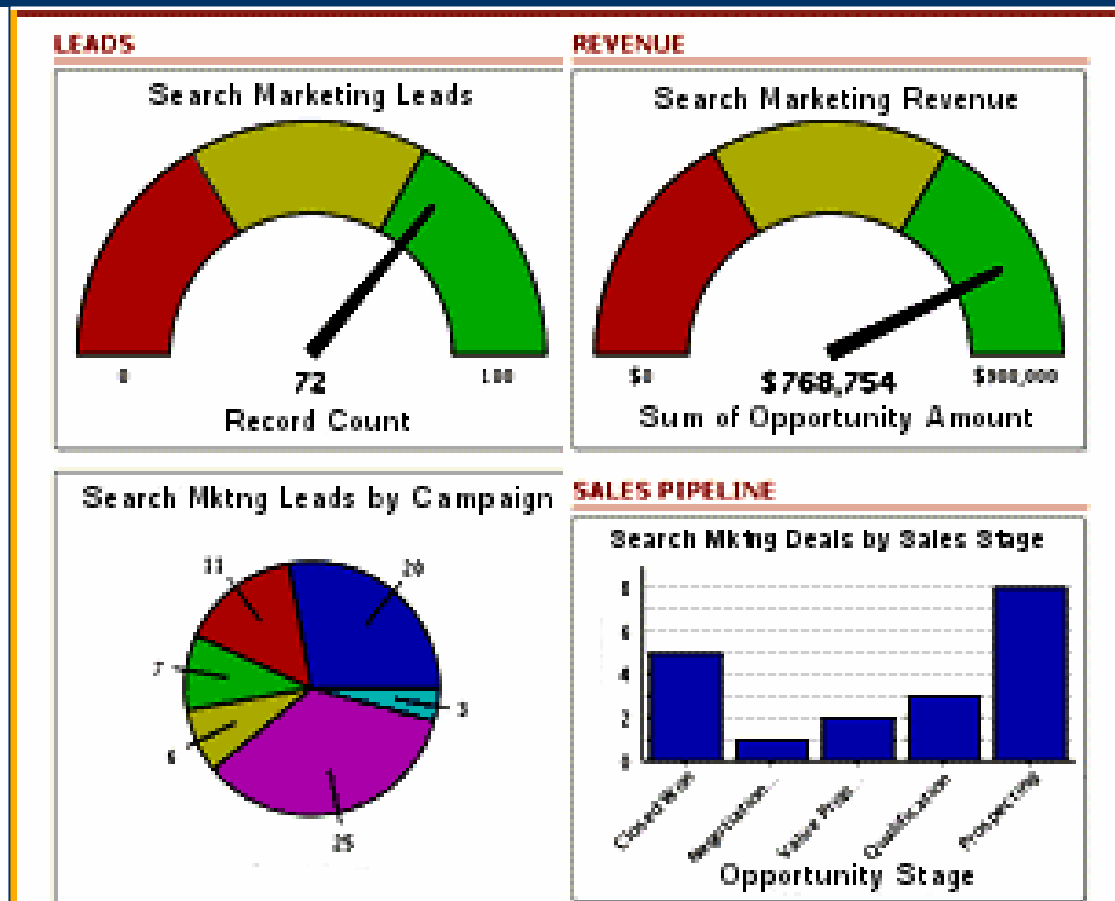
# Controls - Marketing

## Marketing Channel Budgets vs Costs



# Controls - Marketing

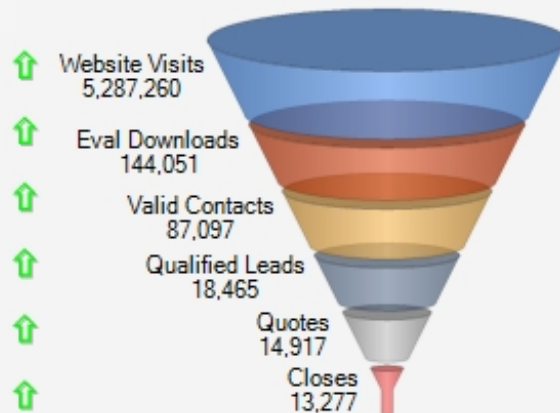
## Marketing Effectiveness - Campaign costs vs. revenue increase



# Controls - Marketing

## Marketing Effectiveness – Internet Summary

Website Visits to Closes



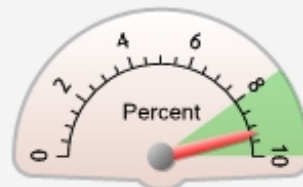
Revenue vs Marketing Cost



Key Performance Indicators (KPI)



Cost per Sale



Sales per Download



Revenue per Sale

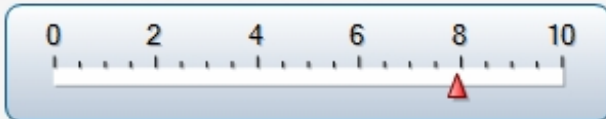


Profit per Sale

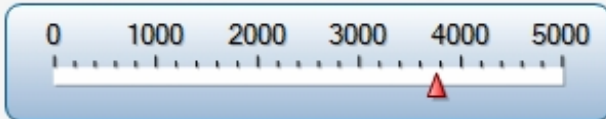
# Controls

## Marketing Effectiveness – Website

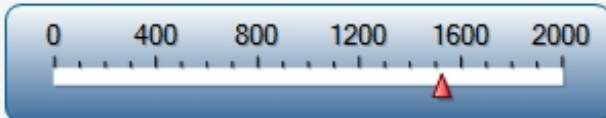
Main Page Visits (in Millions)



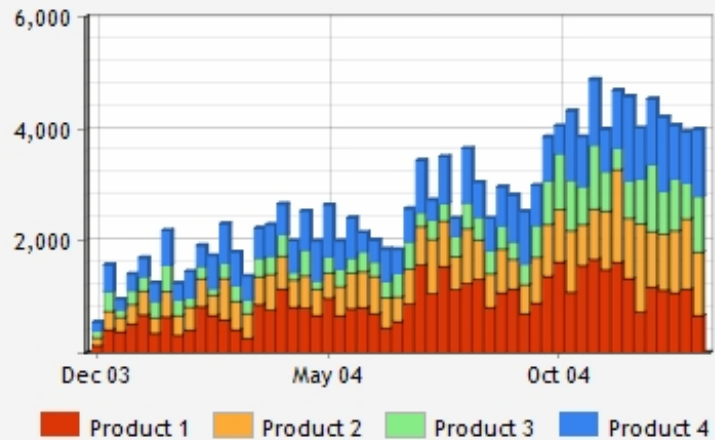
Product Page Visits (in Thousands)



Download Page Visits (in Thousands)

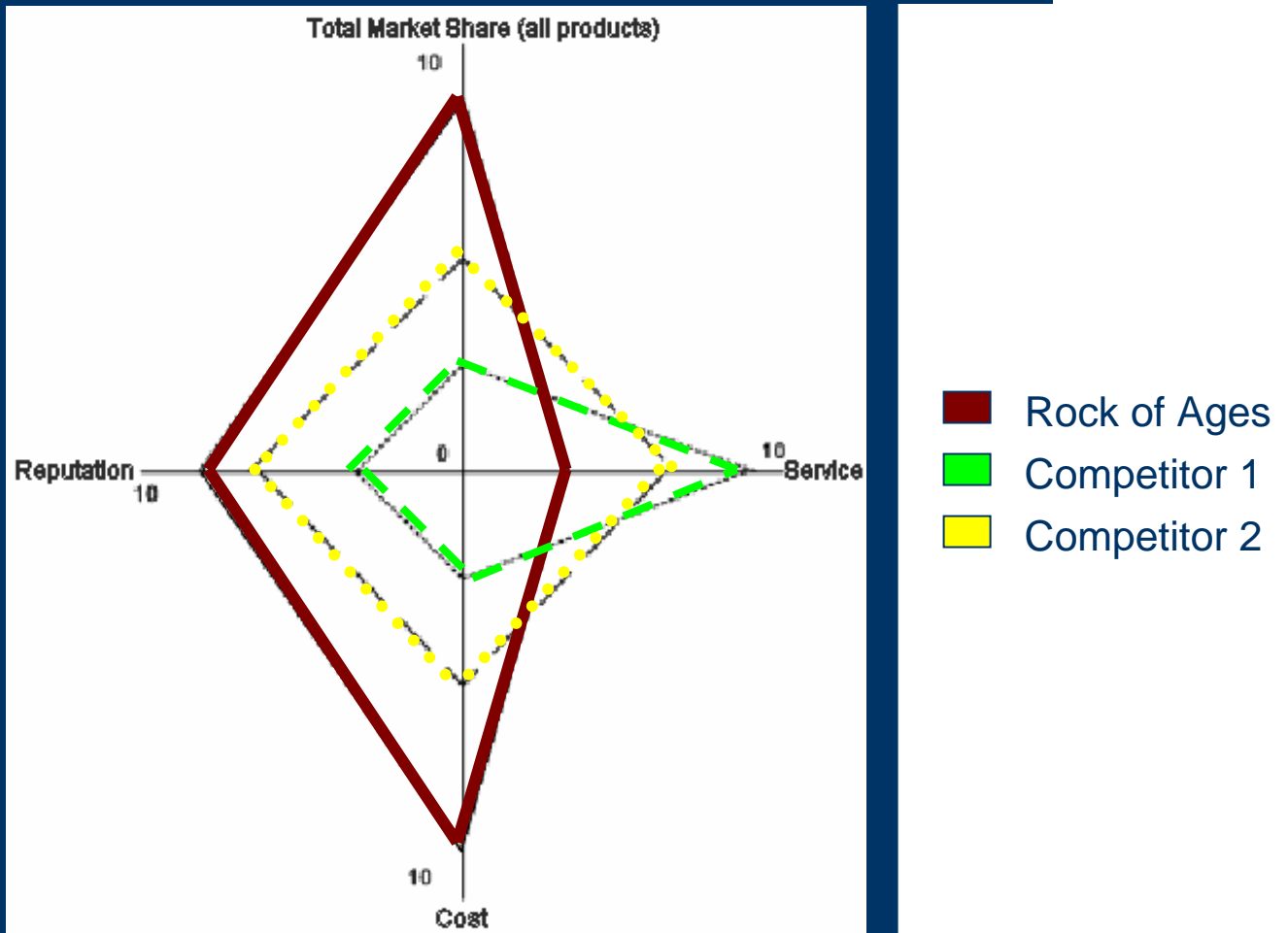


Downloads



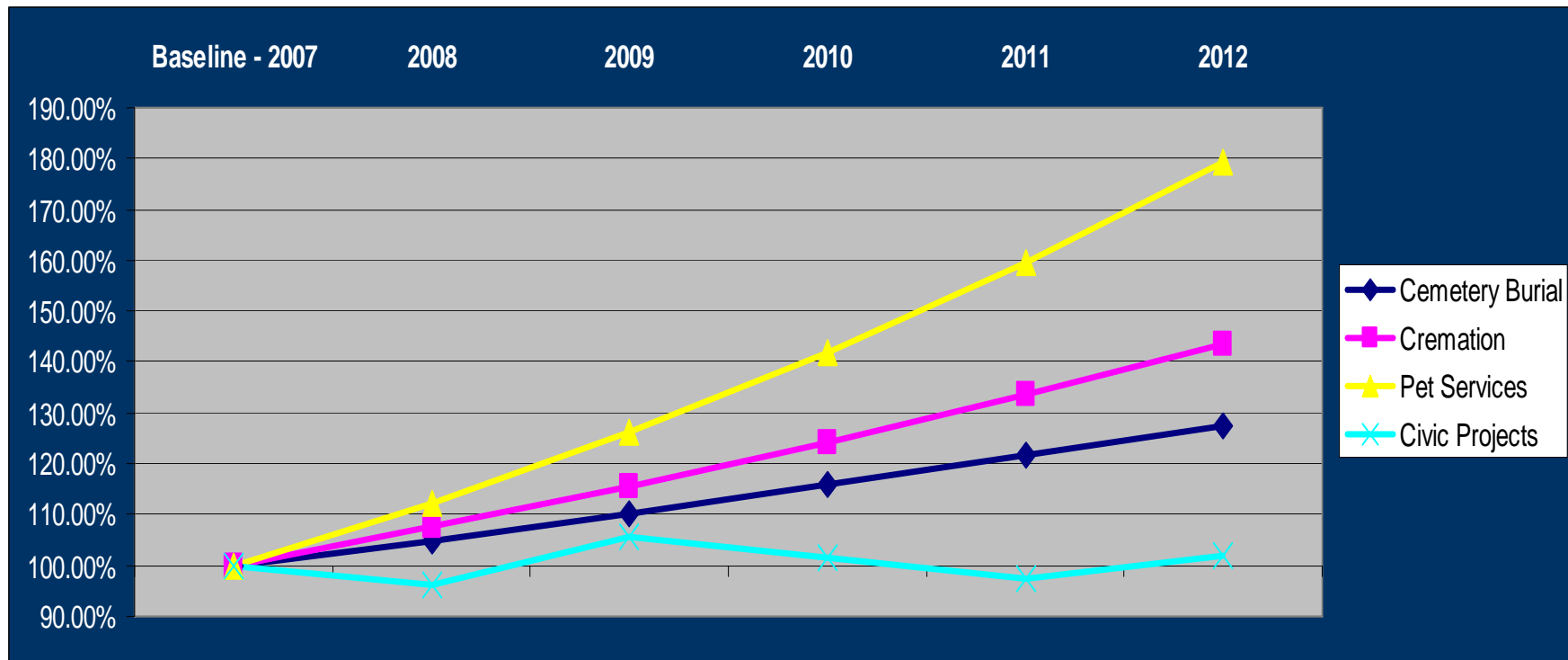
# Controls

## Marketing Effectiveness – Competitive Analysis



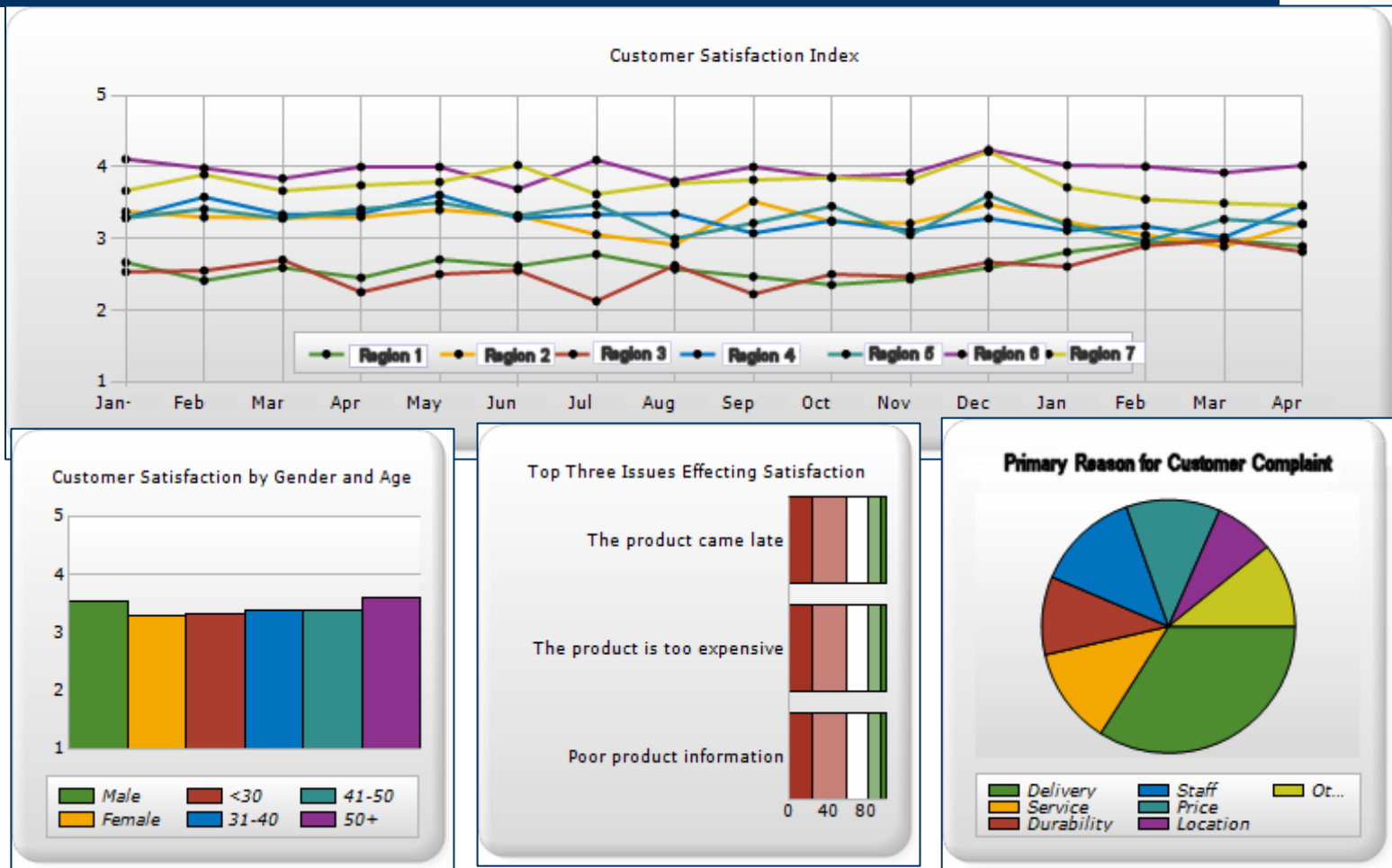
# Controls

## Marketing Effectiveness – Industry Trends



# Controls

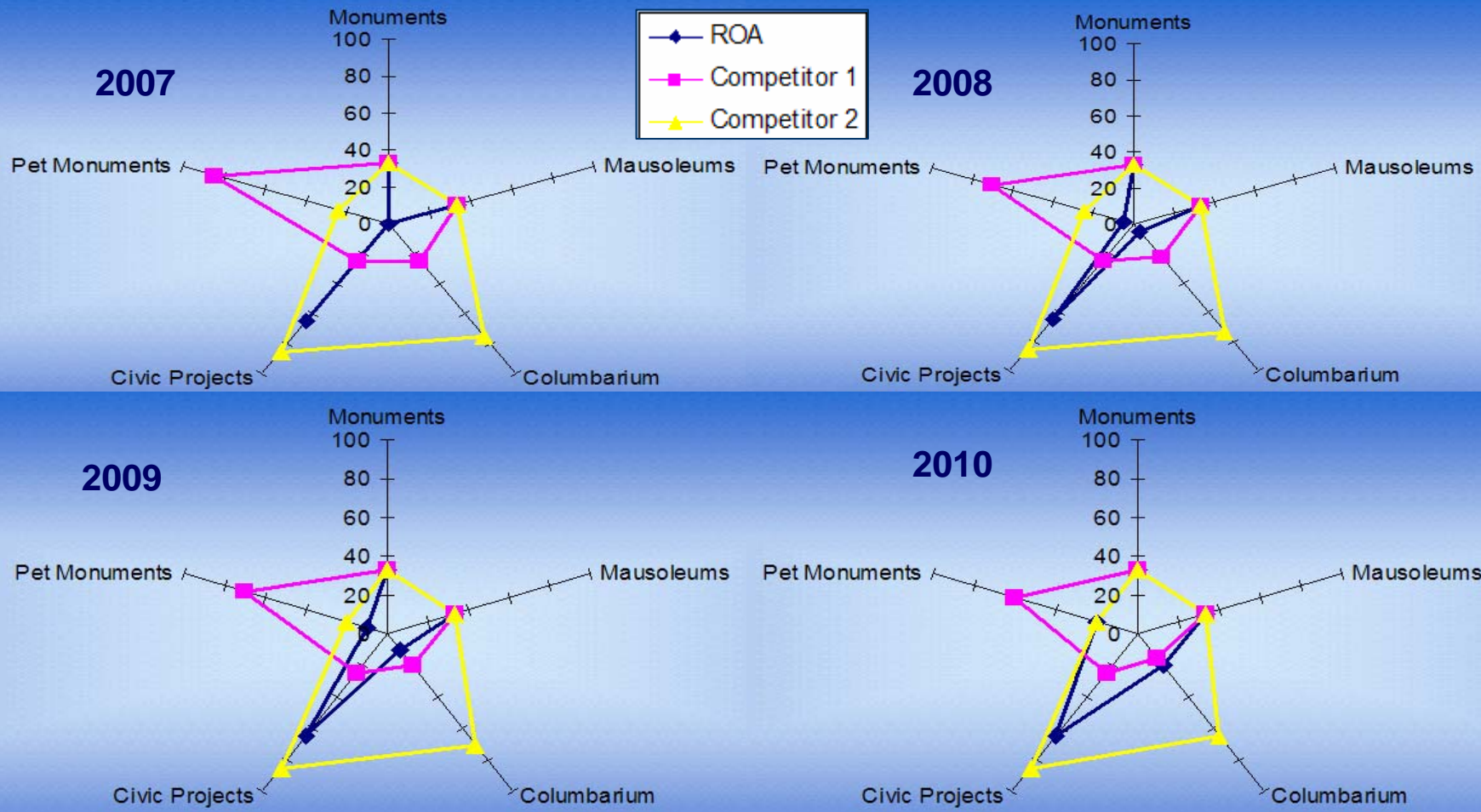
## Marketing Effectiveness – Customer Analysis





# Controls

## Marketing Effectiveness – Market Share Trends (%)



## Controls - Sales

### Dashboard will display all relevant sales metrics

- Analytics that may be covered within a sales dashboard:
  - Actual versus forecast (% of goal)
  - Sales quota versus actual
  - Regional and territorial sales by product
  - Channel sales
  - Order fulfillment: Incoming orders, shipping status, and backlog

# Controls - Sales

## Product Sales – percent of goal



# Controls - Sales

## Monthly Sales Report

Monthly Sales Report (\$)



Month to date sales and product evaluation metrics for:

### Results for the Month of December

Total downloads are 3% above target. Downloads containing valid information is up by 12%. Quotes outstanding are down by 4%. Closed deals are up by 2%. Overall December has exceeded expectations.



# Controls - Sales

## Regional Retailer Report

Select a State

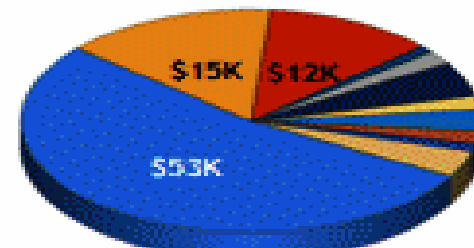


Sales by County: Colorado



Top Distributors: Colorado

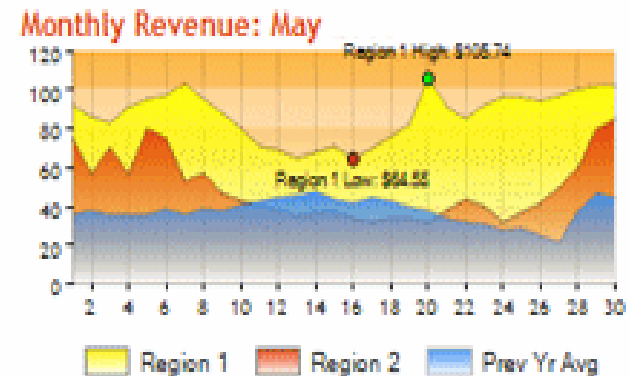
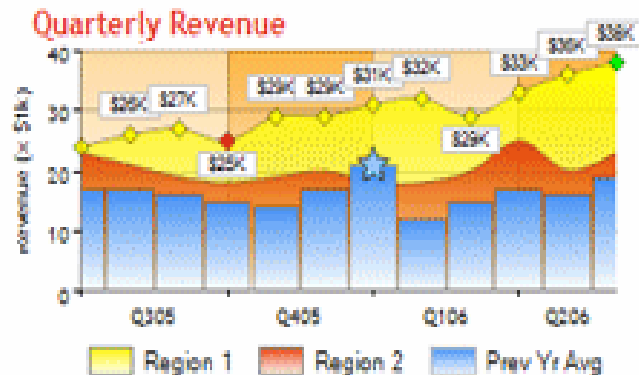
Click on a segment for details



ABCware Inc. XYZ Inc. gowedia

# Controls - Sales

## Regional Sales Counselors

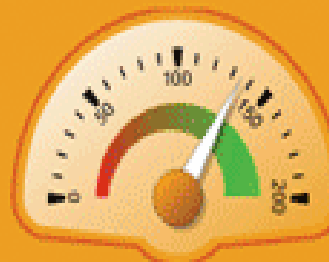


Select a Region:

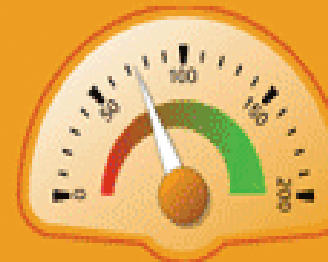
**Team Performance: Region 1**

% of Quota

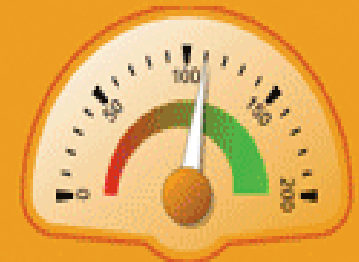
Refresh



Sales Team A



Sales Team B



Sales Team C



# Controls - Sales

## Channel Sales



# Controls - Sales

## Order Fulfillment & On Time Deliveries

YTD	MTD	KPI	Actual	Target	Variance
■	▲	Order Fulfillment	70%	75%	-5%
■	▼	On Time Delivery	90.5%	90%	.5%



# Contingency Plans

## Action to be taken if threats or opportunities materialize

- When creating the dashboard controls, ROA will develop and implement alerts and escalation procedures for out-of-parameter data events. The procedures will define what actions are to be taken, when and by whom in order to manage the exceptions. Anomalies could include such things as being  $\pm 5\%$  of revenue goals, falling behind target market share, being over budget or outside ROI parameters for advertising campaigns.
- ROA will appoint a committee to aggressively solicit and investigate ideas for expanding sales of their current products, both geographically and to new market segments. Similarly, the efficacy of inaugurating new lines of business - such as the pet memorials and columbaria suggested in this presentation – will be researched and a written report containing recommendations for pursuing new opportunities will be submitted to senior management monthly.

# Summary

- In the event that ROA maintains status quo with regard to the marketing activities of its current retail products, it will likely experience modest revenue increases, due almost entirely to increased deaths as the population ages. However, costs will rise equally with revenues, thus shareholder value would remain stagnant.
- Enhancing shareholder value will require that ROA's management inaugurate new lines of business (i.e., pet memorials & columbaria); and forge new affiliations (e.g., with crematoriums, the military and civic organizations), as well as updating their technologies (Internet + dashboards), for marketing and managing their traditional products.
- The new products, alliances, financial projections and management controls recommended for implementation in this presentation will enhance the internal, human, customer and financial perspectives of ROA's Balanced Scorecard, thereby supporting the company's strategic objectives in the Retail Division, and providing ROA's officers, employees and stockholders with greater security and prosperity during the coming years.

# References

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- [Adwords.google.com](http://Adwords.google.com)
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- Srinivasan, V. and Charlotte H. Mason (1986) "Nonlinear least squares estimation of new product diffusion models," Marketing Science, Vol. 15, No. 4, 169-178.
- Rock of Ages, 10-k filing for 2006. Retrieved August 2007 from [http://businesswire.edgarpro.com/edgar\\_conv\\_html/2007/04/02/0000084581-07-000012.html#DEC200610K\\_htm\\_index](http://businesswire.edgarpro.com/edgar_conv_html/2007/04/02/0000084581-07-000012.html#DEC200610K_htm_index)