



funeral service **insider**

independent news & guidance for funeral home owners and operators

Legacy.com to Offer Market Insights With Acquisition of ObitData.com

Legacy.com is offering funeral homes more robust services after buying ObitData.com, the only national provider of funeral home market share information.

Stopher Bartol, 51, founder and CEO of Legacy.com in Evanston, Illinois, says most funeral professionals can't waste valuable time counting obituaries to determine the market share of competitors.

Fortunately, ObitData.com can do it for them – and it can do so for as little as \$79.95 per month – which made buying the company an intriguing prospect.

The fact that Legacy.com could deal directly with its former chief marketing officer, John Bikus, 49, the founder of ObitData.com, sold Bartol on the deal.

Bikus is “a really smart guy,” Bartol says. “He was part of the management team that originally helped build Legacy.com, and we think very highly of him. He’s agreed to help fully transition the ObitData.com operation to Legacy.com by the summer, and in the process is



Stopher Bartol, founder and CEO of Legacy.com, says the acquisition of ObitData.com allows his company to provide funeral homes with valuable information about market share.

advising on investments we can make to further improve upon the service he built.”

Buying ObitData.com made sense because Legacy.com is solving a problem for funeral homes. “Rather than create a market share product from scratch, we decided to purchase what John has and will build on it,” Bartol says.

Time Magazine to Readers: ‘Let’s Talk about Grief’

Time is calling attention to grief in a big way in its latest issue, which features Sheryl Sandberg, the chief operating officer of Facebook and the co-author with psychologist Adam Grant of “Option B: Facing Adversity, Building Resilience and Finding Joy.”



The cover includes the headline, “Let’s Talk about Grief,” and the article highlight’s Sandberg’s struggles after losing her husband, SurveyMonkey CEO and venture capitalist Dave Goldberg, who died of a heart attack while working out May 1, 2015.

Keeping a journal was one way Sandberg coped, and her entries became the basis of the book she co-wrote, which Publishers Weekly says affirms “there’s no one way to grieve and no one way to comfort.” The magazine adds, “For those who have suffered a tragedy, this book provides helpful advice in the form of case studies, expert commentary, coping mechanisms, and most of all, hope, expounding upon the capacity of the human spirit to persevere.”



EXECUTIVE DIRECTOR

Thomas A. Parmalee
 301-591-1847
 tparmalee@katesboylston.com
 www.linkedin.com/in/thomasparmalee

MANAGING EDITOR

Patti Martin Bartsche
 Phone: 301-591-1845
 pbartsche@katesboylston.com
 www.linkedin.com/in/pattimartinbartsche

ASSOCIATE EDITOR

Steve Cronin
 Phone: 301-591-1846
 scronin@katesboylston.com
 www.linkedin.com/in/steve-cronin-7119751b



CUSTOMER SERVICE

800-829-9145
 P.O. BOX 433028
 PALM COAST, FL 32143-9576
 funeralserviceinsider@emailcustomerservice.com

SITE LICENSES AND REPRINTS: It is against the law to forward this to another person. Contact Thomas Parmalee at 301-591-1847 or email tparmalee@katesboylston.com to ask about bulk subscription rates and reprints..

COPYRIGHT WARNING: Copyright violations will be prosecuted. FSI shares 5 percent of the net proceeds of settlements or jury awards with individuals who provide essential evidence of illegal photocopying or electronic redistribution. Contact Steve McVearry at 301-287-2266 or email at smcvearry@ucg.com to report violations.



**3349 Highway 138
 Building D, Suite B
 Wall, NJ 07719**

Bartol was also looking out for Legacy.com’s 1,500 newspaper partners, as well. “We want to help newspapers see the share of obituaries that they are getting from funeral homes in the marketplace, because we want them to understand there is quite a bit of variability,” Bartol says. “In some markets, funeral homes are placing all their obituaries in the newspaper, but then you have others who are not, and they are sending them fewer and fewer obituaries.”

That results in an obvious question: *Why is that?*

It’s partially because newspapers need to become better partners with funeral homes so families see the value in placing an obituary. “There are lots of reasons to have transparency for everyone,” Bartol says.

Bikus, who started ObitData.com in 2013, did not disclose financial terms of the sale, but he’s happy with the outcome.

“I kind of hatched this idea when I was at Legacy.com, and we actually looked into it a little bit, but it didn’t feel like it was the right fit for the Legacy.com business model at that time,” he says.

Bartol was aware of his idea and knew he’d be undertaking the venture when he left Legacy.com in 2013. He remained in touch with Bartol, who he considers a friend and confidante, since that time.



John Bikus, who helped build Legacy.com into the brand it is today, has sold ObitData.com to his former employer and is considering his next step. He can be contacted at john@obitdata.com.

Knowing that Legacy.com was seeking new ways to enhance its product line for funeral homes and newspaper customers – and also knowing that while ObitData.com was profitable, it needed resources to grow – selling the company made sense, Bikus says.

“I’m happy that the product and company will continue to live – as an entrepreneur, you want to see that,” Bikus says. “When you start a company, you want to leave some form of legacy – to see that you started something, and it worked. That was an important thing for me.”

But to say that he feels “vindicated” to have sold ObitData.com to his former employer would be the wrong word, Bikus says. “For Legacy.com, it just wasn’t the right time and the right product for the company – I don’t think it was ever an issue of belief,” he says. “It

was an issue of, ‘Is this the right thing and the right time and the right way to dedicate our resources?’ And over time, things change and evolve, and that is what happened here.”

Bikus is retaining ownership of a list-matching service that serves companies unconnected to funeral service that was part of ObitData.com, which Legacy.com was not interested in acquiring. That portion of the business will be rebranded, Bikus says.

“Outside companies like life insurance companies will give us names of individuals they have policies for; it is important to them to understand when a person has passed away,” Bikus says. “ObitData.com as a company will continue to function and serve list-matching customers, but I’m not sure if it will expand.” It is, however, a profitable business and one that makes sense to continue, he says – just not something that Legacy.com wanted to be involved with.

Bikus is already thinking about new startups, but he does not rule out working for a company that wants to employ a man of his talents.

Legacy.com’s acquisition of ObitData.com is its second recent purchase in the funeral space: In April 2015, it bought former rival Tributes.com, which continues to serve about 400 funeral home customers and attract about 6 million unique visitors per month.

The Recent Owners of Legacy.com

Legacy.com has undergone multiple transitions in recent years: In 2012, Great Hill Partners, a Boston-based private equity firm, bought the company in a deal that valued it at \$50 million to \$100 million.

In March – about six months after Bartol returned to Legacy.com as CEO – Pamplona Capital Management, which includes a \$1 billion U.S.-based private equity fund that focuses on growth equity and control investments in the technology, media and telecommunications sectors, bought a majority stake in the company.

“We don’t discuss details, but Pamplona is the majority owner, and the management team also made a meaningful investment and has a direct personal stake in the company’s success,” Bartol says. Pamplona valued the company at “substantially more” than what Legacy.com was valued when it last changed hands in 2012, Bartol says.

As to how Pamplona’s acquisition of the company came about, Bartol explains, “One of the members of the investment team at Pamplona had previously been part of the team at Great Hill Partners in 2012 when they purchased us. So, he was very familiar with the company and had followed our success for several years. He knew the team and the business model he was investing in.”

Great Hill took pride in its stewardship and served its clients, employees and shareholders well, Bartol says – and it allowed the management team at Legacy.com run the company as it saw fit. “We believe Pamplona will do the same, with perhaps an even greater appetite to invest and grow the business,” he says.

In addition to its investment in Legacy.com, Pamplona also owns OGF, which is the No. 1 funeral service provider in France and the country’s only fully integrated funeral operator, supplying a full spectrum of funeral products and services. Pamplona has not set any expectation as to the amount of time it intends to own Legacy.com, Bartol says.

With hindsight, Bartol would buy Tributes.com again. “It expanded our offerings, brought us closer to several hundred funeral homes and injected additional funeral industry DNA into our organization, which led, for example, to our involvement in the Fund ’45 campaign with the Funeral Service Foundation this last year (at the

National Funeral Directors Association convention),” he says. “That is just one simple example of where we have proudly expanded our efforts supporting funeral homes since the acquisition of Tributes.”

While John Heald, a licensed funeral director and formerly the vice president of business development and sales at Tributes.com, has stayed on with Legacy.com as its vice president of funeral home business development, Elaine Haney, who was president and CEO of Tributes.com before becoming Legacy.com’s chief operating officer, left the company in March.

Bartol declined to say why Haney is no longer with the company, but as a regular attendee at trade shows and a high-profile and respected name in the death-care industry, her absence was noted at the recent International Cemetery, Cremation and Funeral Association in Nashville, Tennessee.

With its two latest acquisitions, Legacy.com has doubled down on its mission of serving funeral homes in addition to newspapers, which is something Bartol freely admits Legacy.com needs to get better at conveying. “We have our heads down focused on the business, and we don’t do a lot of press if you will,” he says.

That, however, is something that may need to change, he says. “We are very under the radar, and when you are under the radar, I think

there are misconceptions and misperceptions existing in the marketplace because others try to tell your story,” he says. “Sometimes, there are a small number of vendors that maybe benefit from funeral homes not having the full picture, and others try to define who we are. One of the things I want to do in 2017 is to start doing a better job at communicating to the industry about what we are doing that is really valuable for funeral homes.”

A Reinvigorated CEO

Some in funeral service may be surprised to see Bartol back at the helm at Legacy.com, as he had turned over the job to Steve Parrott, the company’s former chief operating officer, in July 2015.

While Bartol kept the role of executive chairman, he stepped away from running the company – but that all changed when Parrott resigned “suddenly for personal reasons” in October 2016. “I was invited to return as CEO. After having stepped back from the business for about eight months, I was energized and excited to return to help write the next chapter of the company,” he says.

Stepping back gave Bartol the chance to spend some time with early-stage entrepreneurs in the Chicago area. “It’s a neat thing to do because it exposes you to cool new stuff that is coming,” he says.

But now, “I’m back – all in,” Bartol says. “My view is that there

is another chapter to write in the business, and I’m not sure how long it will take – how many years – but I’m not really even thinking about an exit at this point ... I’m where I should be.”

Having the chance to step back and return on your own is empowering “because you’ve made the choice to be there again,” Bartol says. “I have seen a lot of different startups and ventures doing some really cool things, but in the process, I have thought, ‘Would I want to jump in and help build that company?’ – and I always come back to comparing it to Legacy.com, and I say, ‘Would I be as excited as I was and am about Legacy.com?’ – and I never am.”

While Bartol has investments in some other companies, he’s investing in ideas and people, which is different than running them himself. “I have concluded I would not want to run another company unless it made me as excited as Legacy.com – and I haven’t seen any of those out there,” he says. “While that was not the purpose of me stepping back, it exposed me to a lot and reconfirmed for me how much I care about this company.”

The break also gave him the chance to take some long bicycle rides and the opportunity to reflect on the company he’s built – one that employs more than 200 people, attracts 44 million unique visitors per month and is a top-50 website in the United States.

Bartol started the company in 1998 after working as a management consultant with McKinsey and Co. for 10 years.

“I was really looking to do something more entrepreneurial, and the internet was starting to happen in a big way,” he says. “I originally thought about joining a company that was doing something already, but I quickly realized that a lot of those companies were unclear on what I could bring to the party as a management consultant.”

When Bartol learned about a gentleman who was frustrated because he never knew where to send charitable donations if he missed seeing an obituary in the printed edition of the newspaper, he was intrigued. That man wanted obituaries to be placed on the internet, but he didn’t want to start the company himself.

That man and some others, however, did become angel investors in what would become Legacy.com, which turned some heads “because it wasn’t the sexiest thing happening on the internet,” Bartol says. “But I just saw the social importance of it and the potential for it, and that’s how I went all in.”

The idea from the beginning was to work directly with funeral homes, but it didn’t take long for Bartol to realize he wasn’t going to get the results he wanted. “When

we launched initially, I was not smart enough to know that newspapers were the ideal partner for us,” Bartol says. “We actually started by talking with funeral homes ... the first year, I talked with hundreds of funeral homes.”

That meant knocking on doors and trying to engage funeral home owners about the idea of posting obituaries online. “I literally remember days getting in my car in the morning, and I didn’t come home until late that night – I was just knocking on the doors of funeral home directors and telling the story about online memorialization. That was my introduction to the funeral industry,” Bartol says.

The introductions, however, did not result in the payoffs he wanted. “We quickly learned we were too early – they basically told us they were not ready for us,” Bartol says. “They told us by politely letting us in but not embracing it.”

It was then he had his very profitable epiphany: There already was a mechanism for obituaries to find their way to the public, and that was through newspapers – and if he could partner with them, he’d make getting obituaries online a reality.

At that time, relatively few newspapers were posting obituaries online, and they were basic. “We launched our program with the Chicago Tribune as our first

newspaper in 2001, and it was a big success,” Bartol says. “The Los Angeles Times followed, as well as several other newspapers, and it didn’t take too long to become an industry standard.”

Bartol is happy to see, however, that the funeral profession has finally come around to seeing the value and importance of online obituaries – and he remains convinced that newspapers and funeral homes boost their success when they work together.

“We believe more than ever that the relationship between newspapers and funeral homes is not a zero-sum game – one’s gain is not another’s loss,” he says. “In fact, their fates are quite linked. How so? For funeral homes, there is no better way to reach the public than through an obituary placed in the local newspaper – print and online. Research suggests that nearly nine in 10 people are interested in placing a newspaper obituary for someone they love. When a funeral home helps a family place that newspaper obituary, it helps fulfill this wish and generates brand awareness for the funeral home unlike anything it can achieve elsewhere. It is just smart business.”

But newspapers must do their part by offering compelling obituary solutions at reasonable prices, Bartol says. “The obituary section is one of the most read sections of the local newspaper,”

Bartol says. “Newspapers want healthy, vibrant funeral homes serving families and regularly placing obits in the paper. It is also smart business for the newspapers.”

While Legacy.com supports newspapers setting their own obituary prices, it has tried to convey that they must be reasonable, Bartol says. “For many years, when we were building this business, we would see annual increases,” Bartol says. “It was just kind of the regular course of business that you’d have an increase in rates, including obituaries, for many years. But in the last few years, that has finally changed.”

Newspapers should know that some families – and the funeral homes representing them – are pushing back on pricing, Bartol says. “We are signaling that there is a point at which it’s too much – the market is kind of telling you that there is a limit,” Bartol says. “We’ve also said to newspapers that we need to keep innovating so that families and funeral homes are getting the value that they pay for – and that is where we come in on the online side.”

Bartol is proud of the robust solutions that Legacy.com offers its funeral home partners, including its Funeral Home Local Spotlight offering, which features a funeral home’s obituaries on a newspaper’s obituary homepage, which is the most relevant and

Facebook: Friend or Foe?

Many businesses look at Facebook and see a threat, but Stopher Bartol, the founder and CEO of Legacy.com, sees opportunity.

Those who think that Facebook gets in the way of what Legacy.com is trying to accomplish are not seeing the big picture, Bartol says. “Facebook is a place where people gather, and it is an important place for people to share news of the moment, he says. “If you think about it, death is one of the most viral events out there.”

Legacy.com’s job is to figure out how to participate in that virality, Bartol says. “Let’s make sure if there is a funeral home or newspaper guestbook we are hosting that it finds its way into the conversation that is happening on Facebook,” he says. “If we can do that, we can reach people we may not have reached because all the people on Facebook may not have found their way to the funeral home or newspaper website. Through Facebook, we have actually expanded our reach ... we are constantly looking for ways to amplify our reach, and I view Facebook as a big opportunity.”

Even though Legacy.com gets more than 10 million monthly visits that originate from Facebook, it’s still an opportunity that is largely untapped, Bartol says.

heavily trafficked location for obituaries. “This program is a win for all participants,” he says. “For families, more people view the obituary and see their loved one featured – and it feels great for funeral directors to be able to tell families that their loved one is featured so prominently on the newspaper obituary site. For the funeral home, the obituary is amplified to reach more of the families most likely to use this funeral home in the future, including additional branding and links to the funeral home website and preplanning section. Bonus program benefits vary some from

market to market by newspaper, but in many cases there is also an ability to designate a favorite floral vendor and to participate in floral sales through these popular pages.”

Legacy.com has case studies showing that in newspaper markets powered by Legacy.com, the online reach achieved for an obituary placed in a newspaper can be 100 to 400 percent greater than in newspaper markets without Legacy.com. “In other words, Legacy.com helps create a newspaper obituary section with substantially more benefit for newspapers, funeral homes, and

families than newspapers not partnered with Legacy.com,” Bartol says.

Over the years, Legacy.com has made it a priority to feature funeral homes more prominently on its site and on newspaper sites, Bartol says. “We’ve really worked hard on that, and that is why it is challenging when we hear someone saying we are stealing

their traffic or we are not working in the interest of funeral homes when we feel that is the opposite of what is happening, Bartol says.

At one time, that type of criticism was commonly heard from Tributes.com, which is now part of Legacy.com – and it may have had some validity at one time, Bartol admits.

“Certainly the criticism was more fair back then,” he says. “I don’t think funeral homes cared as much about online obituaries back then, and maybe there was a time or moment when they cared but we didn’t realize that they cared.” He adds, “But once we knew they were in the game and that online obituaries were important to them, we responded, and we’ve been responding ever since.”
