

Weekly EMP Newsletter

OCTOBER 14, 2022



CLAUDE AND BETTY LOU LAVAL
ENTREPRENEUR
MENTOR
PROGRAM

How to Get in Sync with Financial Wellness

by
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This session's Luncheon Host was mentee **Hern (Marcus) Beh**. Marcus, an international student from Malaysia, wanted us to experience authentic Malaysian food. Because there are not any Malaysian restaurants in the Fresno area, Marcus and his Malaysian friends cooked us a delicious lunch, including Roti Jala with vegetarian curry, Malaysian buttermilk chicken, and braised pork belly (Hong Shao Rou).

After lunch, Dr. Neil Koenig introduced **Preston Cross**, Owner, and CEO of Four C's Construction and Advanced Metal Works, and his wife, **Lindsay Cross**. Four C's is considered a leading sheet metal fabrication and installation company in California's Central Valley.

Four C's Service was founded in 1980 by Dale and Carol Cross, Preston's parents. The company began as a heating and air conditioning service repair company. The name Four C's represents the four members of the Cross family, including Preston, his brother and parents.

Preston grew up in Clovis. In high school, he traveled extensively playing soccer and began developing leadership skills as the soccer team captain. His family loved sprint car racing, and after graduating from high school in 1994, Preston decided to continue his love for sprint racing and became a crew chief, taking him all over the country. He loved this lifestyle and learned many important lessons. In 2000, his father called and said that he was "done" running the business and advised Preston he should prepare himself to take it over. Preston, unaware of the day-to-day management as well as the financial health of the organization, was shocked to learn that he was now responsible for leading a company in trouble. There were few orders and no money. On top of this, he was entering the family business that had been led previously by his father. Although his father would stay in the company, he no longer wanted the leadership role. Preston had to begin the process of turning around a struggling family business.

Shortly after returning home to take over the family business, Preston met Lindsay and married in 2004, and they have two boys. As a child, Lindsay always thought that she would like to be an accountant, but in high school, she decided on teaching and worked for Central Unified for 13 years before Preston and Lindsay felt that they were in a financial situation that would allow for her to stay home with her two boys. This was in 2018.

As a newly married couple, they thought they were doing "ok." Preston had a job, and Lindsay was teaching. But they discovered that the business was in trouble, and so were their personal finances. They were personally living paycheck to paycheck. The stress level was extremely high in all aspects of their lives--work and home. Something had to change.



Malaysia

To kick off the session, Preston and Lindsay asked the mentees to share our future plans and what we would consider "financial freedom":

Mentee responses include the following:

"Doing what you love without worry about finances--"

Providing for family."

"Stability"

"Comfortable with finances, so not stressed."

"Do what you want without worrying about it."

"Being able to focus on studying for your exams instead of worrying about how to meet basic expenses."

"Having a dependable income and feeling in control of your finances."

Preston shared that financial skills are crucial to your professional and personal success. To illustrate this point, Preston and Lindsay shared how money management saved the business and marriage. The journey required a lot of hard work and behavioral change,

Personal finance, coupled with the struggling business, was sometimes overwhelming and even daunting. Searching for solutions, Preston started listening to business-related and leadership podcasts on the way to work and podcasts relating methods to improve marriage and family on the way home. Some of his favorites were Start with Why: How Great Leaders Inspire Everyone to Take Action by Simon Sinek, multiple works by Dr. Henry Cloud, and anything else he thought could improve his life at this junction.

He was introduced to the work of Dave Ramsey, a personal finance expert whose work is aimed to help people take control of their money, build wealth and enhance their lives. Sharing what he was learning with Lindsay, they decided to follow Dave Ramsey's money management "7 Baby Step Program to help them with their personal financial challenges. The program is designed to be followed one step right after the other to lead you out of debt and stress and into a life of financial freedom.

There were many lessons learned for Lindsay and Preston. They learned to talk about money with each other. This was hard to communicate at first. Because their lives were so busy, they set up a weekly budget meeting every Sunday. Additionally, they stopped using their credit cards. And focused on where every dollar was being spent. They had to change their behavior--and it was hard! Everyone has to buy into working this way--Preston, Lindsay, and the two boys. It requires lifestyle changes (budgeting and cutting back on expenses. In many ways, it was an entire overhaul of their spending and savings. However, it has really helped them get out of debt and begin saving for their children's college fund.

Lindsay walked the mentees through Dave Ramsey's 7 Baby Step Program, relating personal experience behind each step.

The 7 Baby Steps is not necessarily *the* plan for everyone, and certainly not the only financial plan or advice out there. However, following these steps is a great place to start if you want to get your finances on track and are ready to commit to the process. It worked for Lindsay and Preston Cross. In fact it worked so well that they decided to apply their experience to their business.

Just like they did with their personal finances, Preston and Lindsay knew that they needed to get the company's accounting and finances under control by creating a carefully crafted budget. Just like at home, each dollar spent counts. Creating a reasonable budget helped them control their cash flow, spend less and save more. Eventually, they could buy additional equipment (only if budgeted) and quit spending on unnecessary items. They created a budget and learned to operate to that. They learned to "move at the speed of cash." From the day Preston took over the leadership position in the family business to now, the company has grown 900%.



**"You can wander into debt but
you can't wander out of it."
Preston Cross**

Money worries impact employee performance at work. Knowing firsthand how much stress they had in their personal lives before committing to changing their behavior, Preston and Lindsay decided to provide their employees with an opportunity to learn the same process that had worked for them. Preston knew that when his employees came to work, they brought their financial problems with them. It was hard to leave these problems at the door." They offered two 9-week courses. Although not everyone has embraced the techniques like Lindsay and Preston, many team members and their families are making great strides in improving the quality of their lives.

Preston and Lindsay closed their money management presentation by discussing the "envelope system" for budgeting. The envelope system involves assigning spending categories to individual envelopes. Each one is allotted a certain amount of cash, which is then used to cover spending for categories such as groceries, bills, debt, and so on. "If you make 3,000 a month, you spend 3,000 a month. Even if you only spend 2,500 on bills, you spend 500 on savings" - Lindsey.

Lindsay and Preston provided each mentee with a great package of templates we can use now and in the future. The information included a quick-start budget, a monthly cash flow plan, an allocated spending plan, an irregular income budget template, and how to set up a "debt snowball," a term coined by David Ramsey.

After their presentation on money management, Preston and Lindsay gave the group time to ask questions about the presentation and entrepreneurial leadership. The following are some of the responses to the mentee's questions:

"If you use a credit card, you spend 20-30% more than if you have to pay cash".-Preston

"Every dollar has a name--its important to know where each dollar is going."-Lindsay

"Since getting our personal and professional lives in order, our business has grown by 900%."

"There is no balance in life--different seasons require different efforts. It's important, however, to find time to make others feel loved and respected."

-Preston

"You can't out-earn your stupidity; you have to be smart with the money choices you make" - Preston

"Financial independence means being able to help other people."-Lindsay.

"We have over 75 team members at our company. We don't call them employees because they are like family".





After our primary EMP session, **Bertha Flores**, Fresno State, and EMP Alum shared advice for our upcoming trip to Chicago to the Collegiate Entrepreneurship Organization Conference. Preparation is key to making the most out of the 3-day conference.

She also shared that attending CEO is truly an incredible experience and urged the mentees to take advantage of attending multiple sessions, networking with other students as well as the speakers and other attendees.