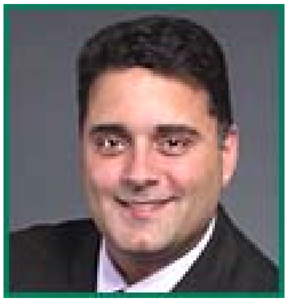
www.realstrat.com



Andrew B. Zezas, SIOR
Relationship Manager,
Strategist, President & CEO
(908) 245-5999 x11
andrew.zezas@realstrat.com

Three Pronged Management– The Emerging Corporate Paradigm

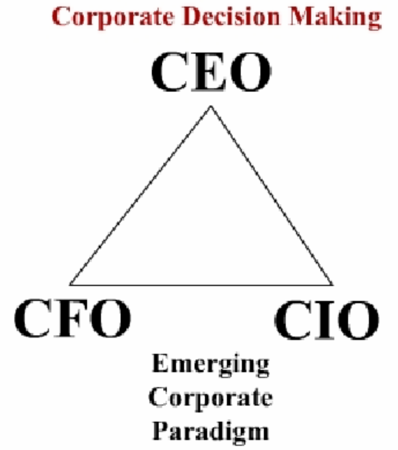
The Chief Executive Officer of yesteryear gathered opinions from his junior executives, perhaps even polled select employees, and then, based on education, experience, and instinct, he made decisions about both day-to-day issues and those that would affect the company's future. Sometimes those decisions were based on accurate information, and sometimes they were not. The interesting issue is that because of the restricted flow of information and ideas within the organization, the company was never really certain if the CEO's decisions were right or wrong until after those decisions were executed and the results came in. Some refer to that approach as "Management without Foresight."

CEO and CFO as a Team

CEO ⟷ CFO

In the last decade, the CEO, recognizing the need to make more informed decisions, and employing a greater focus on ROI and risk, began to rely heavily on his or her finance executives for important feedback when making important decisions. In that time, the Chief Financial Officer has emerged as perhaps the second most important executive in any American or international company. Applying a strategic approach not only to financial and cash management, but to long term planning, risk management, tax reduction strategies, and operations, in many companies the CFO of the last decade has become the de facto COO of the company, having become responsible for not only influencing, but often making operational and strategic decisions. The CFO has become so ingrained in the corporate structure that he or she can be found in many instances, working directly with customers to help close sales and ensure the provision of services.

The CEO-CFO-CIO Decision-Making Model



Coming out of the gate of a post economic slump, today's CEO and CFO recognize the need for management decisions to be based on more than sound financial principles. With stiff competition from local and global markets; de-stabilized geo-political circumstances; uncertain fuel prices; blah-se consumerism; the need for just-in-time, deep and segmented, always accurate, laser-focused customer, economic, and market data has taken its place as perhaps the most important competitive advantage of the 21st Century.

The Chief Information Officer, in some companies referred to as the Chief Technology Officer, is no longer merely the executive who understands systems and technology, but one who has emerged as the third most important component of today's executive management team. Rounding-out the executive team, the CIO provides the CEO and CFO with the power to make intelligent fully-advised decisions about the company's future, and deploys the company's systems and technology to create a more fully developed understanding of customers, competitors, suppliers, and emerging trends.

Louis J. Desiderio, Executive Vice President, Chief Financial Officer at Princeton Softech, a Princeton, NJ based enterprise database archiving and test data management software company recently stated "The relationship between CEO, CFO, and CIO has never been stronger and more necessary to win against the competition. The ability for management to leverage the highest quality customer information into both short and long term financial and operating decision-making is critical to the growth and success of any company."

A great example supporting the broad deployment of the CEO-CFO-CIO model is national professional services firm Tatum Partners, who has fundamentally changed how the Company services its clients. Historically, offering two primary service lines structured separately along finance and information technology, the Company, typically being out in front of emerging business concepts, recognized the importance of the marriage between finance and information in support of corporate decision-making and performance. Tatum has merged the Company's Tatum CFO Partners and its Tatum CIO Partners into Tatum Partners, creating a national powerhouse of over 450 partners offering integrated management and decision-making skills.

Depending on the industry and corporate structure under which a particular company operates, the CEO-CFO-CIO team model is perhaps the most important management paradigm to emerge in this new century. In some companies, while the need for close integration of these three skills remains critical, the reporting structure often takes one of three forms. In a more traditional structure, the relationship between the three executives remains linear, with the CIO reporting upward to the CFO, who in turn, reports to the CEO. In recent years, the three way structure of more progressive companies began to look more like a triangle, with the CEO at the top and the CFO and CIO at the lower corners. In the new paradigm, we've seen evidence of the structure working in more of a circular fashion with the CEO, CFO, and CIO collaborating almost as a team of equals, with the CEO serving as referee and final decision-maker.

Of course the dynamics of a particular company, its industry, and competitive and customer profiles, will largely affect how decisions are made and the structure by which they're made.

How critical is competitive and customer information to your company's decision-making process? More and more Three Pronged Management, the CEO-CFO-CIO planning and execution model, is shaping how today's management teams plans and execute both strategic and tactical decision-making.

Andrew B. Zezas, SIOR, is Publisher of ***Business, Profits and Strategy***. Andrew is a member of the Society of Industrial and Office Brokers, and is President of Real Estate Strategies Corporation. He is an accomplished public speaker and presents his company's ideas on business, finance, and real estate to business and trade groups around the country. Contact Andrew at: 908 245 5999 x11.

Business, Profits, and Strategy is an online publication from Real Estate Strategies Corporation, and is read by thousands of successful people each month. BPS is available free to business executives and entrepreneurs, and contains writings from a variety of experts in various fields, providing insightful, innovative, and dynamic ideas on ROI, risk, critical thinking, and profitability.

Request your copy of ***Business, Profits, and Strategy*** by logging onto www.realstrat.com, and entering your subscription information on the Publication page.

Andrew B. Zezas, SIOR, is Relationship Manager, Strategist, and President & CEO of Real Estate Strategies Corporation, Publisher of "*Business, Profits and Strategy*", a monthly online publication read by thousands of business, financial, and real estate executives nationally, and, is the author of two new real estate books, The CFO's Guide to Understanding Corporate Real Estate Transactions and The CFO's Guide to Hiring the "Right" Real Estate Service Provider, both of which will be available shortly at www.thecfosguide.com.

Mr. Zezas is well-known for his ease and informative style of public speaking, and has given talks, presentations, and has lead educational programs for business, professional, government, and trade associations, including the Building Owners and Managers Association, American Management Association, the U.S. Postal Service, RealComm, Society of Industrial and Office Realtors (SIOR), and others. Andrew is National Chairman of the SIOR Tenant Representation Specialty Practice Board, and is a licensed real estate instructor in Texas and Indiana. He can be reached at 908 245 5999 or via email.

Real Estate Strategies Corporation, located in Kenilworth, New Jersey, and serving clients throughout the country, helps companies create and execute Business *DRIVEN* Real Estate Solutions...and Opportunities, faster and with less risk. Visit www.realstrat.com.

Read other business, real estate, and finance articles written by RealStrat's experts.