"The Quick and the Dead"

Making and executing strategic decisions with greater pace and confidence using RACI

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The Quick and The Dead:
Making and executing strategic decisions with greater pace and confidence using RACI

In the exciting times of the booming frontier, it was said that there were only two kinds of gunfighter: "The Quick and the Dead". Thankfully in business your life doesn't literally depend on the pace and accuracy of your decision making and execution – *it only feels like a matter of life and death*.

Making good decisions quickly and executing them rapidly with confidence remains the key trademark shared by high-performing organizations. We can all share this ideal, yet many times in the real world you can find that the way forward on critical business initiatives is unclear, resulting in unnecessary stress and frustration in your attempts to get important things done. ***So what can you do to improve your performance?***

The RACI technique can help you make and then execute solid business decisions with pace and confidence.

Whether the decision involves a strategic choice or a critical operation, being clear on who has input, who decides, and who takes action can move a company forward quickly. That's particularly critical given the factors confounding decisions in today's complex and fluid business environment. Global companies struggling to customise products and services for local markets; organisational centres juggling a proliferation of unrelated business units; company insiders dealing with the vastly different cultures of outside partners; internal functions engaged in classic conflicts over authority – these all lend themselves to ambiguity over decision-making roles that can stall a business and hurt its performance.

What senior managers need are simple, effective tools to analyse decisions and activities, involve the appropriate functions, assign accountability and responsibility, and keep their businesses on the fast track.

Responsibility Charting
Enter the Responsibility Chart or ***RACI*** Chart. The technique enables senior managers to participate actively in systematically describing activities and decisions that must be accomplished and in pinpointing the functions that will take on roles relevant to these tasks. RACI can be used in a variety of situations, but it's particularly appropriate to making critical decisions, identifying where previous decisions faltered, developing and implementing change processes, and managing end-to-end processes in general.

The tool offers a number of significant benefits:
• Increased productivity through well-defined accountability;
• Increased capacity through elimination of overlaps and redundancies;
• Streamlined organisational structure achieved by collapsing unneeded layers and placing accountability and responsibility closest to the action or decision;
• Better planning and improved communication due to increased participation of team members.

So what does a Responsibility Chart look like? We give you two examples: Figure 1 shows the matrix for an IT product release and Figure 2 illustrates launching a new Mortgage product.

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Figure 1. *Responsibility Chart shows the process for an IT product release.*

	User Departments	Business Analysis/ Applications Development	Operations Acceptance/ QA	Service Management/ Change Control	Service Delivery	Capacity Planning
Define business requirements roadmap	AR	C				I
Define IT strategy roadmap	C	AR	C	C	C	C
Define IT release calendar	C	AR	I	C	C	C
Aggregate business & technical development requests	C	AR	I	C	I	C
Prioritise requirements and schedule to target release	C	AR	I	C	I	C
Define specific components for next release	C	AR	I	C	I	C
Develop release components	I	AR		I		
Complete unit test/ system testing	I	A	R	I		
Assemble target release components	I	I	AR	C	C	C
Confirm QA requirements met	C	I	R	A	I	
Confirm Operations Acceptance criteria met	I	I	R	A	I	
Authorise risk and contingency arrangements	C	C	R	A	C	I
Define implementation plan	C	C	R	A	C	I
Authorise GO/ NO GO decision	C	C	C	AR	C	C
Execute implementation	I	C	C	A	R	
Manage post-implementation	I	I		A	R	R
Complete post-implementation review	C	C	C	AR	C	C
Confirm business value realised for release	AR	I				
Deliver service within service level agreements	C				I	AR

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Figure 2. *Responsibility Chart shows the process for launching a new Fixed Rate Mortgage product.*

	Sales	Retail Operations	Marketing	Customer Services	CFO/Finance	Treasury
Define pricing and funding model for mortgage products	I		C		AR	C
Set financial parameters for target financial returns and cost structure	I		I		AR	
Define product requirements (rate structure, rules, ancillary products, processing rules)	C		AR		I	
Set sales target	AR	I	C	I	C	
Request tranche of fixed rate funds	AR	I	I	I	I	C
Provide tranche of fixed rate funds	I		I			AR
Confirm processing capacity	I	AR		R		
Set opening/closing dates for product availability	R	I	A	I		I
Sell mortgage products	AR	I	I	I		
Process mortgage products	I	AR		I		
Close offer	R	I	A	I		I
Operate post-completion support	C	I	C	AR		

Figure 3. *The codes define the part each functional role plays.*

R	Who is RESPONSIBLE?	- Takes responsibility for action/implementation - Completes the work
A	Who is ACCOUNTABLE?	- Makes the final decision - Retains ultimate authority
C	Who is CONSULTED?	- Provides input on activities/decisions
I	Who is INFORMED?	- Needs to know of an action/decision

Down the left-hand side, the chart lists the actions that need to be taken and decisions that must be made. Across the top, the chart lists the functional roles responsible for carrying out the initiative or playing a part in decision-making. You'll note that the cells have been filled in with *R*s, *A*s, *C*s, and *I*s. That's what gives the chart it power.

Alphabet Soup
So what does *RACI* stand for? Although not as catchy an acronym, *ARCI* more clearly delineates the approach. Here are the letters defined:

A: Accountable; "the buck stops here." This position ultimately has yea-or-nay authority over a task or decision. Assign only one *A* per function.
R: Responsible; "the doer." This position takes responsibility for action/implementation and completes the work. The *A* position determines the degree of responsibility. Happily more than one position can share the work, meaning more than one *R* can be assigned per function.
C: Consult; "keep in the loop." This position needs to be consulted prior to a final decision or action, which calls for two-way communication. More than one *C* can be assigned per function.
I: Inform; "keep in the picture." This position needs to know of the decision or action, which requires only one-way communication. More than one *I* can be assigned per function.

Now that you know what the letters signify, how do you use them to create a Responsibility Chart? The next section describes the process of completing the chart.

Six-Step Program
Creating a RACI chart requires just six deceptively simple steps:

√   *Conduct introductory meetings*
√   *Develop task lists*
√   *Define functional roles and assign RACI codes*
√   *Distribute the responsibility chart and incorporate feedback*
√   *Communicate and reinforce the new role definitions*
√   *Follow up*

1. **Conduct introductory meetings.** Inform key management and staff of the purpose and requirements of the process. Explain the benefits but also the necessary investment of time and commitment to implementing the results and revising and updating the chart as circumstances change.

2. **Develop task lists.** This step often occurs in a work team or larger group. The list consists of the tasks – the activities and decisions – required to reach a decision or complete a business process. These are listed down the left side of the Responsibility Chart or matrix. Activities or decisions should be clear and concise, and apply to a need, not to a specific person. Begin each task with an action verb. For inspiration, start with the possibilities in Figure 4.

When the action verb implies a judgment or decision – analyse, monitor, determine, or review, for example – add a phrase to indicate the purpose. "Review customer installation of program disks to identify need for revised instructions" or "Evaluate purchases to determine where sole-source contracts might cut costs."

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Then analyse and collate these lists into a master function list. If your list contains fewer than 10 activities, you may have defined the list too narrowly; more than 25 actions, and it's probably too broad.

For complex processes or decisions, the best starting point for developing task lists may prove to be process mapping. A facilitator typically takes one of two primary approaches: 1) conduct interviews with key participants on functions, decisions, and activities, as well as departmental objectives, team goals, and work inputs and outputs; or 2) lead a brainstorming or idea-generation session with representatives from departments participating in the process or decision. Later group meetings can help fine-tune the tasks.

Figure 4. *Use action verbs to describe tasks in the Responsibility Chart.*

Evaluate	Operate	Approve	Publish
Schedule	Monitor	Conduct	Report
Write	Prepare	Develop	Review
Record	Update	Inspect	Authorise
Determine	Collect	Train	Decide

3. **Define functional roles and assign RACI codes.** Functional roles are positions either assigned to individuals and groups or assumed by them to accomplish a task on the list. Use functional roles instead of names of people to separate personalities from actions or decisions.

The codes describe the type of participation each role will play, whether *A*, *R*, *C* or *I*. Roles can be played by individuals, groups, entire departments or even outsiders, such as customers and suppliers. One way to acquire input on codes is to distribute a bare chart to all members in your participatory group and ask them to mark who they think is responsible for each task. Then discuss the answers as a group, working through one task as a time. For larger groups, complex processes or key decisions, an independent facilitator can help streamline the process, manage conflict, and achieve consensus.

How should you assign codes? Here are a few guidelines:
• First assign the *R*s, then determine who should be accountable and receive an *A*. Then complete the *C*s and *I*s.
• Place *A*s and *R*s at the level closest to the action or knowledge.
• Minimise the number of *C*s and *I*s.
• Don't worry about perfection: It's not necessary to produce a chart that's 100% accurate. A good decision executed quickly almost always outshines a perfect decision that takes months to reach.

On the other hand, you can run some basic checks to ensure your Responsibility Chart will work. Figure 5 presents further information on analyzing the codes in the vertical and horizontal axes to ensure they're logical and effective.

You also need to acquire feedback from all the parties affected and help them take on the roles assigned. Frequently these individuals and groups will identify missing tasks and roles or misapplied codes. The open and

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Figure 5. *The codes define the part each functional role plays.*

Vertical Analysis: Functional roles

• Many *A*s: Are duties segregated properly? Should others be accountable for some of these activities to ensure adequate checks and balances, and accurate decision making?
Is this a "bottleneck" in the process that will delay decisions and direction?

• Many *R*s: Can one function stay on top of so much? Can the decision be broken into smaller, more manageable chunks?

• No *R*s or *A*s: Should this role be eliminated? Should these resources be used in another way?

• No empty spaces: Does this role need to be involved in so many tasks? Could *C*s be reduced to *I*s or left to discretion when a task needs particular attention?

• A final consideration: Does the type or degree of participation fit this role's qualifications?

Horizontal Analysis: Tasks

• Too many *A*s: More than one is too many. Only one role may be accountable and have authority for each activity or decision.

• No *A*s: At least one **A** must be assigned to each task. Accountability should be pushed down to the most appropriate level, however.

• Too many *R*s: Too many roles responsible often mean that no one is responsible. Responsibility may be shared, but only if roles are clear.

• No *R*s: Who's going to accomplish this task? No role is assigned to take the initiative. In the interim, others may be waiting to approve or be consulted or informed.

• Many *C*s: Does consulting so many roles result in justifiable benefits? Do the benefits justify the time lost?

• Many *I*s: Does informing so many roles result routinely result in justifiable benefits or should this occur only in exceptional circumstances?

• No *C*s and *I*s: Are individuals and departments talking to each other and keeping each other up-to-date? If not, does this result in redundant or uninformed action?

• Every box filled in: Are too many people involved, especially *C*s and *I*s?

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collaborative character of Responsibility Charting promotes quick, effective corrections and updates as well as better understanding of all involved. And that leads to the next step.

4. **Distribute the responsibility chart and incorporate feedback.** At this point, you particularly need input and buy-in from individuals and interfacing organizations not present at the development meeting. Capture their changes and revise the chart as appropriate. If your reviewers make significant changes, particularly in *A* and *R* assignments, you may need to hold a follow-up meeting to discuss the impacts. Reissue the revised chart and update it as needed.

5. **Communicate and reinforce the new role definitions.** One of the key benefits of responsibility charting is the ability to use it in an interactive and participatory way to engage all those connected to a common set of activities or decisions. Communication and reinforcement remain the keys for bringing differences out in the open and resolving them across the organization's functional roles. Holding meetings with all individuals and departments involved helps accomplish this critical step.

6. **Follow up.** It's easy for participants to drift away from the roles assigned in the responsibility chart over time. Follow-up helps ensure adherence to the roles defined in the *RACI* process and encourages participants to live the roles.

The Quick and the Dead
So will you be one of the "Quick" or the "Dead"? Will you, or one of your competitors, be the one left standing at the end of the gunfight?

For inspiration, take another look at the two examples that show how to apply the RACI technique to key business challenges – getting major software releases delivered successfully and launching a new mortgage product. For added inspiration, you might rent the DVD of the great movie "The Quick and The Dead".

I'd like to suggest you use the RACI approach on one of your current challenges; you could be amazed at your success!

Good luck and best regards,

John

John Corr has over 25 years experience helping leading international businesses including: AOL, AXA, Barclays, Capital One, Citicorp, EDS and Nationwide Building Society overcome their most demanding challenges.

City Project Management focuses on helping the senior executives of financial institutions and technology businesses deliver their strategic projects and run more effective service and IT operations.

For an informal discussion on how we could help you be more successful in meeting the challenges of your business, please contact John Corr at +44 (0) 20 7748 2225.

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Are you faced with any of these challenges?

Then call John Corr on +44 (0) 20 7748 2225 to see how we can help you be successful.

You need to make substantial cost reductions in service operations and Technology budgets to contribute to price competitiveness and profitability within your business. You know it's all to easy to make "slash and burn" cost reductions that harm the long-term future of the business or simply move costs to another part of the business without improving the underlying true performance of your service processes.
You want to make cost reductions that are sustainable in the long-term.

You are losing sleep over a large-scale IT investment project that is failing. You see that critical milestones are being missed. Your colleagues are getting increasingly frustrated by not getting the benefits they were originally promised. You are concerned that the budget is ballooning. You perceive working relationships are breaking down and it's proving increasingly difficult to get the key issues sorted out.
You want the project back on track to deliver the business benefits promised.

You have a major outsourcing contract in place and service delivery is now substantially worse. Frequently outsourcing deals prove to be a great deal more complex and difficult than originally anticipated by both parties. Having won the contract by offering substantial cost reductions, your outsourcing partners are now struggling to take out costs to protect their profitability. Core business operations are now being severely disrupted and its proving increasingly difficult to get the issues resolved quickly.
You want your outsourced service levels to be restored rapidly whilst retaining your cost savings.

You are frustrated that your business is losing too many customers as a result of disappointing service. Profitable customers are expensive and difficult to acquire in the first place. It's disappointing to lose customers to competitors offering "killer deals", even more disappointing when you lose customers as a result of poor service.
You want to reduce the numbers of customers lost due to service issues.

You find it difficult to attract and retain profitable customers, as your service is perceived as being just the same bland, "me-too" service as all your competitors. If your products, service and pricing are identical, why should your target customers buy from you? It's all too easy to "gold plate" your service offer and then lose customers because your pricing is now uncompetitive. Not everyone can afford or chooses to buy the "Ferrari" option. So how do you design and deliver really value-added service?
You want to attract and retain more customers by providing superior service.

You want to address concerns that IT support is too expensive, too slow and unresponsive, and just not flexible enough. You've tried to get to the bottom of your business users' concerns, what they really want and how you can make the service more effective whilst reducing costs. But it hasn't worked so far and now you are faced with unrealistic demands to cut your resourcing and budgets.
You want to deliver a more flexible service to your internal customers at lower cost.

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