

## Roles and Responsibilities Overview

Defining clear roles and responsibilities in business is a core ingredient in business and succession planning. Ambiguity about individual roles and responsibilities can create confusion, impact productivity and cause conflict. Primary benefits of defining roles and responsibilities include:

- Reduces confusion and helps everyone understand what is expected of them.
- Promotes autonomy, efficiency and accountability in performing job functions.
- Enables everyone to understand what others are working on.
- Allows individuals to collaborate and support one another more effectively.
- Informs transition planning for next generation management, leadership and ownership.

The process of defining roles and responsibilities involves taking an inventory of all key tasks in the business. While this process can feel long and tedious, it is an important step to enable planning for a gradual transition of management and decision-making to the next generation.

*After completing this guide, participants should:*

- Complete the RACI Chart, including:
  - Functional areas.
  - Specific tasks under each functional area.
  - Current roles and responsibilities for each task.
  - Who is currently accountable for each functional area.
- Identify and discuss gaps or overlaps in functional areas and tasks.
- Consider transition timelines and development plans for next generation management, leadership and/or ownership.

## RACI Chart

The RACI Chart is a spreadsheet tool used to define functional areas, their respective tasks and the individuals involved in each task. RACI is an acronym that stands for Responsible, Accountable, Consulted and Informed.

- **Accountable:** The buck stops here. This individual may not do the work or job, but they're the one who makes sure it gets done and/or supervises the individual(s) doing the work.
- **Responsible:** The primary doer(s). May be the same person who is accountable.
- **Consulted:** Individual(s) who provide input or participate in a task or functional area.
- **Informed:** Individual(s) who don't provide input but are made aware of decisions or tasks.

**RACI spreadsheet template (Excel): [Click here to download](#)**

Functional Areas and Tasks	Accountability	Responsibility	Consulted	Informed
Accounting - Jane				
Lender relationships	Jane	Jane/Steve	Fred/Beth	NA
Financial statements				
Budgeting				
Payables/receivables				
Marketing (sales) - Steve				
Customer development				
Product pricing				
Contracts				
Crop production - Beth				
Crop selection				
Planting				
Crop protection				
Harvest				
Storage				

## Step 1: Identify Functional Areas

Begin by identifying functional areas (e.g. departments) in the business. Functional areas vary between businesses and commodities and may include:

- Record keeping
- Accounting
- Crop/livestock production
- Herd management
- Labor management
- Purchasing
- Shop operations
- Warehousing
- Processing
- And much more

**Using the template:** *The RACI spreadsheet template is pre-populated with common functional areas to use as a starting point. Delete those that are not relevant and add areas unique to your operation.*

## Step 2: Identify Tasks

Once you've identified the primary functional areas, inventory specific tasks in each area. Tasks should include the primary things that need to be done for the business to be successful. These may include specific jobs (e.g. financial statements), relationships (e.g. lender relationship) or areas of oversight (e.g. harvest crew management). For the RACI to be effective, the list of tasks must be comprehensive. The task list commonly ranges from 100-200 total tasks depending on the operation's size and complexity.

## Step 3: Identify Current Roles and Responsibilities

Using the complete list of functional areas and tasks, identify the individual(s) who are currently accountable, responsible, consulted, and informed for each task. If there is more than one person or it is unclear who is accountable or responsible for a specific task, document in the RACI accordingly and highlight for discussion of gaps and overlaps later.

**Using the template:** *Fill in the spreadsheet cells to the right of each task with name(s) of individual(s) who fit into each category. Don't over-think or stop to discuss during this process. If the names aren't immediately clear, leave the cell empty or put multiple names in the cell. Use highlighting and the notes column to identify areas for further discussion.*

## Step 4: Identify Current Accountability for Functional Areas

Review the names in the accountable and responsible columns to identify who is currently accountable for each functional area. Similar to step 3, if there is more than one person or it is unclear, document in the RACI accordingly and highlight for discussion later.

**Using the template:** *Add the individual(s) names next to the title of each functional area.*

## Step 5: Discuss Gaps or Overlaps and Identify Next Steps

With the current-state RACI Chart complete, you can review gaps and overlaps and determine how you'll use the RACI to plan management transition. Use the discussion guide below to inform your conversation.

**Using the template:** *Create a copy of the current state RACI spreadsheet tab to make changes and discuss future state. If you copy the spreadsheet, make sure to clearly label each version of the spreadsheet for clarity and reference in the future.*

## Uses for a Completed RACI Chart

- **Job descriptions:** A bulleted list of each individual's responsibilities from the RACI Chart can be the foundation for a job description and inform compensation decisions.
- **Gaps and overlaps:** The completed RACI can help to identify and address areas where roles are unclear (overlaps) or missing (gaps).
- **Transition planning:** It can also be used to plan management and leadership transitions. This can be accomplished by simply copying the current state RACI assessment and creating a future state version with transition plans of functional areas and task to other individuals. This informs coaching and mentoring plans for the next generation of management or leadership.

The RACI should be reviewed and updated annually. Choose one or several areas to begin training and preparation for transition.

## Group Discussion Guide

Including all people vested in the business in this discussion is important to ensure transparency, understand all perspectives and maintaining relationships.

### Prepare Participants

- Schedule a dedicated time (1-2 hours depending on the group size) for a focused discussion.
- Provide the Roles and Responsibilities Guide to all participants.
- Recommend listening to the [Roles and Responsibilities episode](#) of the Northwest FCS Strategic Planning audio series.

### Define Roles

- Identify a facilitator to keep the group focused and moving through the discussion.
- Designate one person to take 'official' notes, documenting the discussion.
- Review the meeting ground rules and verify agreement or possible changes.

### Instructions

- Before you start, discuss why it is important to understand and document roles and responsibilities in the strategic planning process.
- Follow the RACI Chart steps above using the [RACI Template](#).
- The designated note taker should inventory results in a shared document or template.
- Discuss the questions below and take notes on family and business member perspectives. Give everyone an opportunity to share their perspective and be heard.

Assessment Questions	Discussion Notes
<i>What general observations do we have after completing the RACI chart?</i>	
<i>Are there any gaps or overlaps in responsibilities and tasks? If so, are these gaps or overlaps causing challenges and do we need to make any changes?</i>	
<i>How might the RACI chart be used to inform decision making, supervision and communication?</i>	
<i>Are there any parts of the organizational chart that should transition to others in the next 12 months? Consider senior generation transition timelines when developing transition plans.</i>	
<i>What would a coaching and mentoring plan look like to help ensure transition is successful?</i>	
<i>How might the RACI chart be used to inform job descriptions, performance evaluations and compensation in our business?</i>	
<i>What is the next step in the process?</i>	

### Recommended Next Steps:

- Schedule a dedicated time (1-2 hours depending on the group size) for a focused discussion on an Estate Plan Philosophy.
- Listen to the [Estate Plan Philosophy episode](#) of the Northwest FCS Strategic Planning audio series.
- Read the [Estate Plan Philosophy Strategic Planning Guide](#).

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