

Decisions Make the (Business) World Go Round

One of the powerful lessons I've learned in leadership is the impact decisions have on creating the future. There are certainly things out of our control, but the decision about who makes what decision, what method is used to make decisions, and how are these decisions communicated are smack dab in our area of responsibility as leaders.

In every coaching relationship, I spend time with the CEO on how decisions are made in the organization. If we can accelerate and improve the process of decision making, we can improve the growth rate of the business.

The simple question I often hear here is "Who's decision is this?" That is an improvement over not discussing the decision at all, but it is oversimplified for many of the critical business decisions we face as leaders. RACI attempts to simplify, accelerate, and improve the quality of decisions.

- **R - Responsible/Recommender** - Who will make the recommendation for what decision needs to be made.
- **A - Authorizer** - Who will ultimately have the final say as to moving forward with the proposed decision. The buck stops here.
- **C - Consultants** - Who will be involved in the decision prior to the decision being made. Who will be asked for their input by the R so that their input can be used to formulate the recommendation.

- **I - Informed/Impacted** - Who will be informed about the decision after it is made in order to help them implement or adjust to the decision and the impact of it.

A few key points about the above:

- Ideally, there is only 1 name in each of the R and the A slots. If necessary, a voting board may be in the place of the A, but this increases complexity and is best to avoid if not necessary.
- The R does the majority of the work on the process of coming to a recommendation. Normally, when someone asks "Who's decision is this?" they are talking about the R.
- The A is in charge of clarifying the following, Timing for the decision, any Vision for the area impacted by the decision, any constraints or special requirements (\$, cultural, values, etc.) that are in place for the decision, any C's that they will require the R to consult with prior to forming a recommendation.
- If an "I" believes they should be a "C", it is normally best to include them in the "C". It costs less to consult than to deal with frustration for not involving them.
- It is beneficial to assign the "A" and the "R" as low in the organization as you can afford to based on risk and competency. These are leadership roles in the decision and will allow for growth opportunities.
- It is helpful if the "A" does not try to play the "C" role and instead names competent "C's" for the "R" to consult with. This is for growth of the "R".

- If the decision has a material impact on multiple executive functions of the business, the President/CEO is normally the "A" and can name one of the impacted executives as the "R".

The first thing I do when faced with an issue in the business where a decision is needed, is to write up RACI on the board and ask the team to discuss who is in each position and why. Once clarified, the parties can immediately know what their role is in helping make the best decision possible as quickly as possible.