



RACI & SIPOC: CORE TOOLS FOR CULTURE CHANGE

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AGENDA

- What are RACI and SIPOC?
- What are common uses of the tools?
- How can they help transform company culture?
- Examples in practice



RACI CHARTS - RESPONSIBILITY

Responsibility is a unique concept. It can only reside and inhere in a single individual. You may share it with others, but your portion is not diminished. You may delegate it, but it is still with you. You may disclaim it, but you cannot divest yourself of it.

Hyman Rickover



RACI CHARTS/DIAGRAMS

- Matrix of tasks or deliverables vs. roles
- Each box in the matrix identifies that role's function in the task
 - Responsible – primary role performing the work
 - Accountable – role primarily responsible for the work getting done (and done correctly)
 - Consulted – roles providing input into the task or deliverable
 - Informed – roles to be informed of the outcome of the task or deliverable
- Key point – only one Responsible and one Accountable role for any task or deliverable
- In some processes, Responsible and Accountable may be the same role

EXAMPLE: RACI CHART FOR PRODUCT DEVELOPMENT

Process/Role	Marketing	R&D	Regulatory Affairs	Quality Assurance	MFG Eng	Materials	Project Manager	Head of OPS	Head of R&D	Head of RA/QA	Head of Marketing	Head of Finance	CEO
Voice of the Customer - Concept	R						A						
Business Plan	R						A						
Business Review I	R	C	C	C	C		C	C	C	C	C	C	A
Customer Requirements	R						A						
Design Review 0		C		R			A						
Regulatory Plan			R				A						
Project Plan		R					A	C	C	C	C		
Design Review I	C	R	C	C	C		C	C	A	C	C		
Product Specifications	C	R	C				A						
Initial Feature Development		R					A						
Design For Assembly & Design for Manufacturing Meeting		R			C		A						
IP Generation & Management		R					A						
Voice of the Customer - Prototype	R						A						5
Pre-Clinical Strategy & Plan	C		R				A						

EXAMPLE: RACI CHART FOR CUSTOMER ORDER PROCEDURE

•Roles:

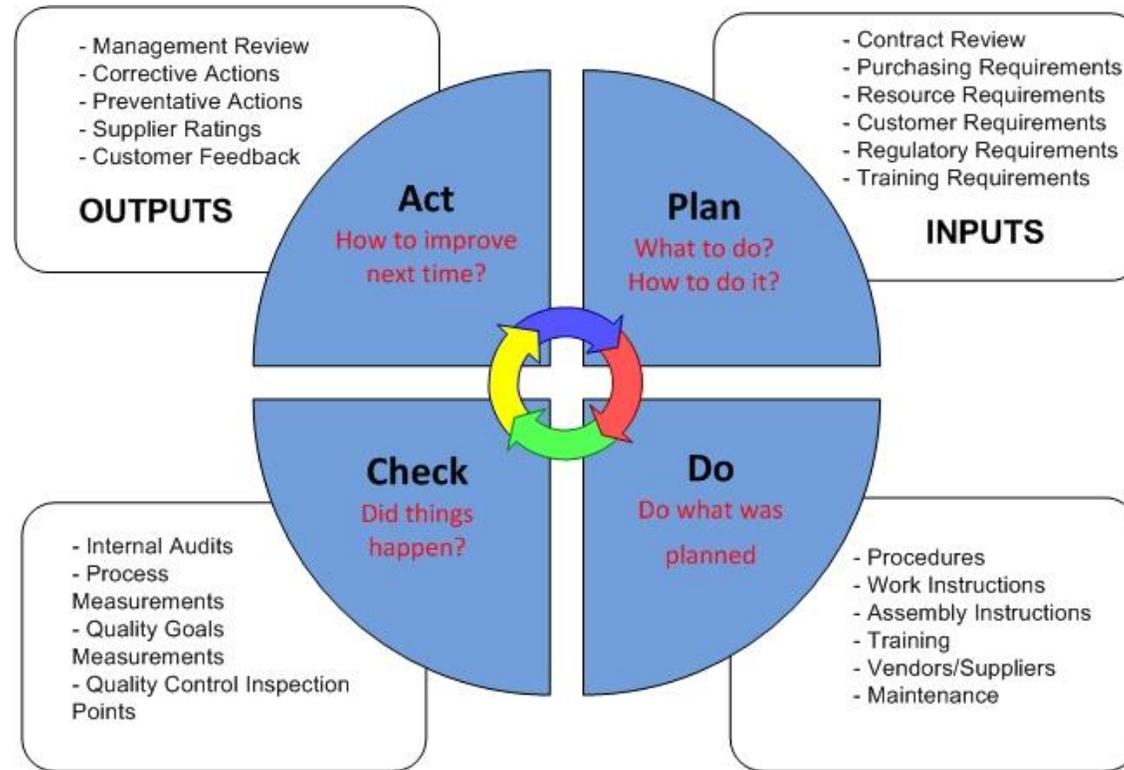
1.Customer Service Representative: The Customer Service Representative is a member of the Customer Service team. The Customer Service Representative must be trained in this procedure and proficient with SAGE.

2.Sales Representative: The Sales Representative is a member of the Sales team seeking to manage sales inventory, demo products, and/or literature.

3.Regulatory Affairs Coordinator: The Regulatory Affairs Coordinator is the member of the Regulatory team responsible for maintenance of international device licensing.

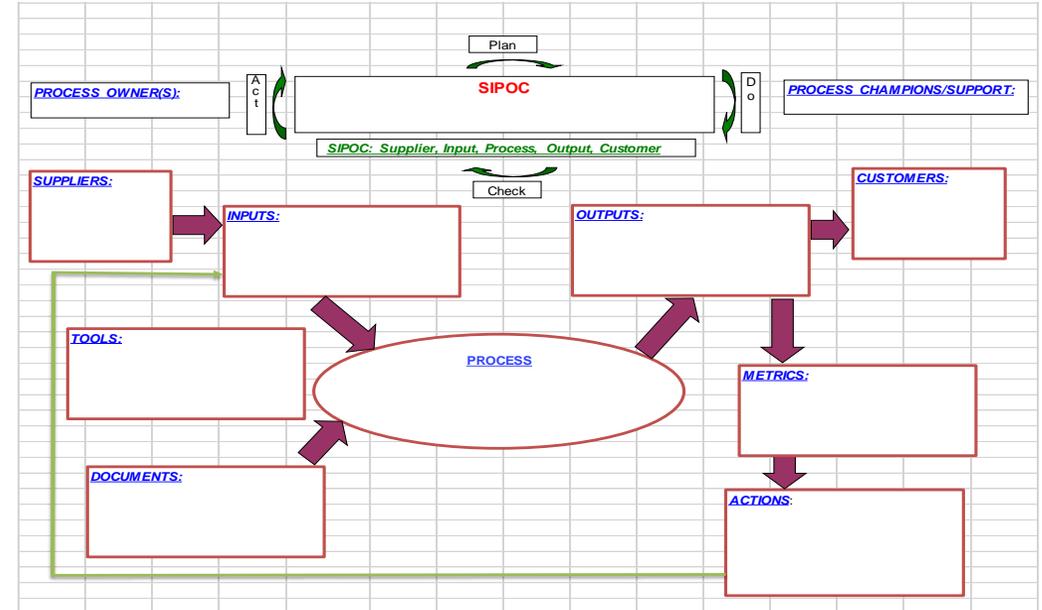
Process/Role	Customer Service Representative	Sales Representative	Regulatory Affairs Coordinator
Contract Review	R/A	C	C
Preparation of Sales request forms		R/A	
Order Entry	R/A		6

SIPOC AND PROCESSES



SIPOC DIAGRAMS

- Means of describing a process
- Five basic areas
 - Supplier – who provides input to the process?
 - Input – what are those inputs?
 - Process – what happens to the inputs?
 - Output – what does the process produce?
 - Customer – who receives the outputs?
- Often supplemented with other information
 - Input and Output Metrics – how do you know whether the inputs/outputs are acceptable?
 - Documentation/Tools – what documents govern the process? What tools are used?
- Forces a process perspective

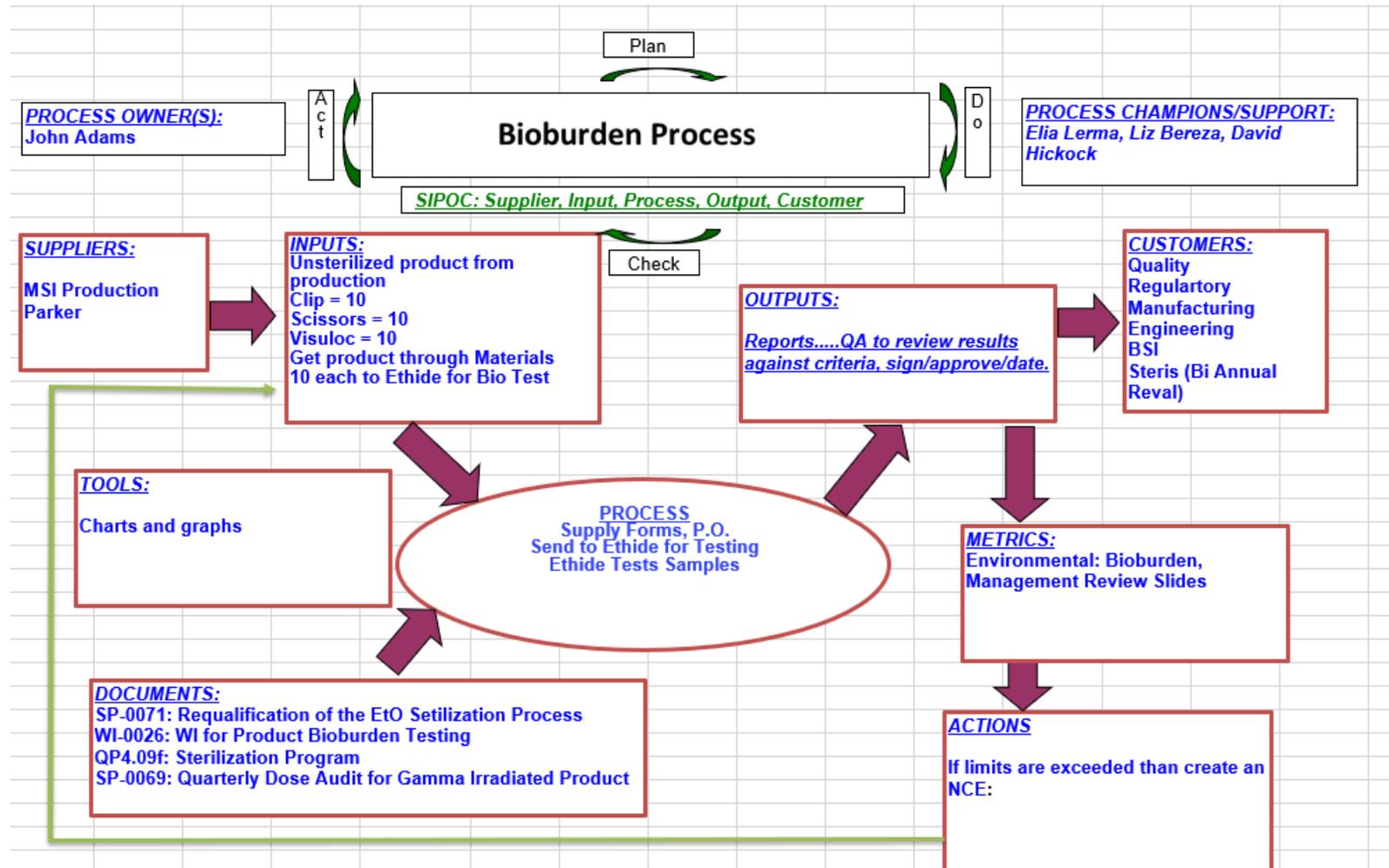


SIPOC PITFALLS AND TECHNIQUES

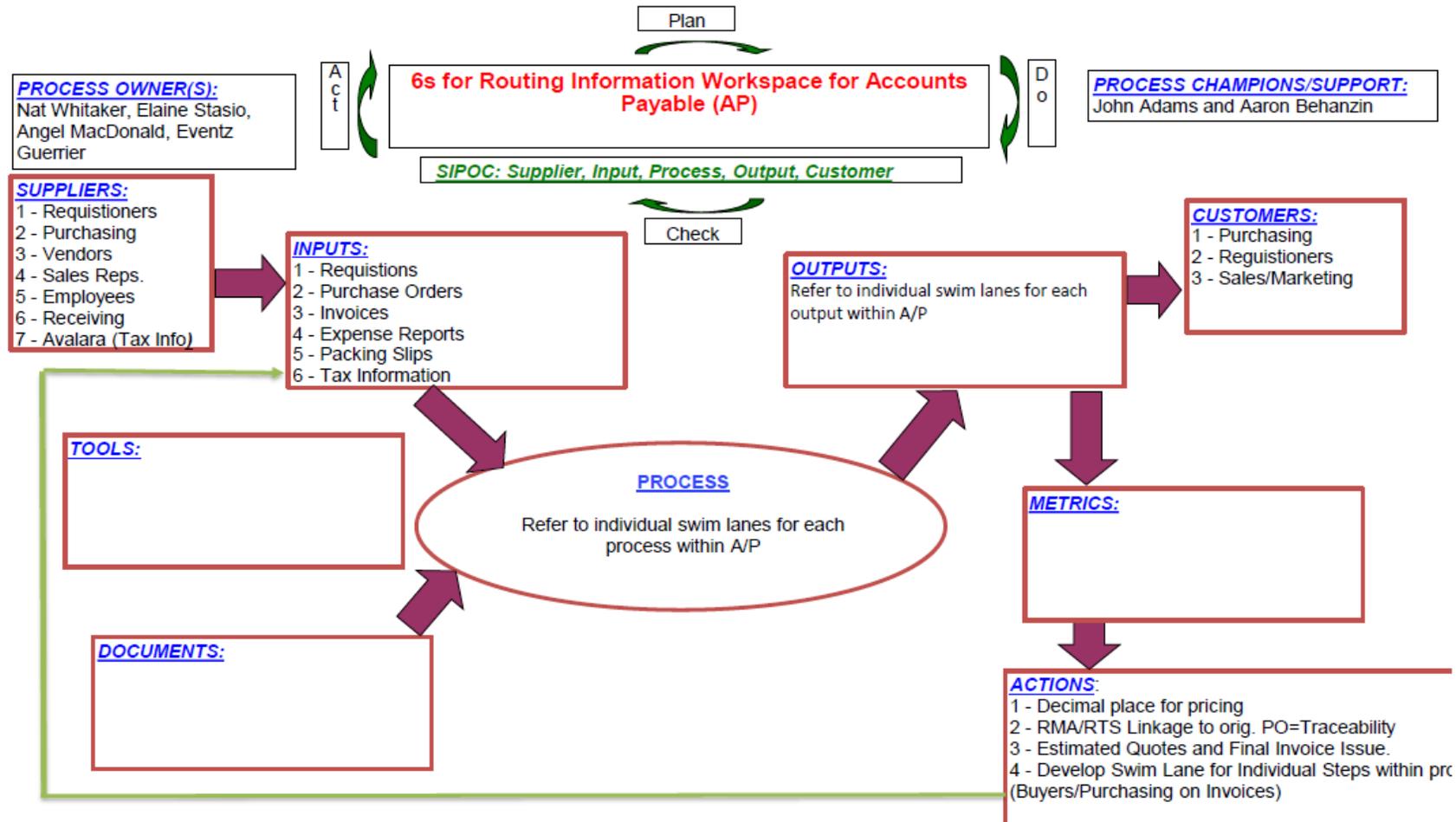
- VERY easy to miss some types of inputs or outputs
 - Financial data (e.g. actual costs from a production operation)
 - People (many processes need trained personnel)
 - Records
- Important to define the process boundaries clearly (usually by defining customer inputs and outputs)
- Recommended sequence – Outputs, Customers, Inputs, Suppliers, Process
- Do not adhere to arbitrary departmental boundaries – the key outputs and inputs are the best guide to the process



EXAMPLE SIPOC: BIOBURDEN PROCESS



EXAMPLE SIPOC: ACCOUNTS PAYABLE



USES FOR RACI DIAGRAMS

- Clear definition of roles and responsibilities
 - Project plans
 - Procedures and work instructions
 - Nonconformances
 - Corrective and preventive actions



USES FOR SIPOC DIAGRAMS

- Procedures: Show process boundaries, inputs, outputs
- Process Improvement Projects: Locate potential areas for improvement
- Process-Based Auditing: Shift focus from procedures to process flow



WHAT IS COMPANY CULTURE?

- Behavior of humans within an organization and the meaning that people attach to those behaviors; includes:
 - Company vision – what do employees think the company is trying to achieve?
 - Values – what values does the company act out?
 - Norms – what are standard operating modes for day-to-day business (meetings, communication)?
 - Systems – what systems govern the day-to-day operations (IT, facilities)?
 - Symbols – what summarizes or symbolizes the company for employees?
 - Language – what is the company jargon? How universal is it?
 - Assumptions – what decisions do employees make without thinking about them much (that's just the way we do it)?
 - Beliefs – what do employees really think about the company?
 - Habits – what routines exist within the organization? What behavioral quirks?

CULTURE IS NOT UNIVERSAL

- “Roman Model”
 - Humans can only effectively supervise a relatively small group (~10 people – squad size)
 - Human “tribal bonds” break down between 100-200 people (~120 people – century/company size)
- Most larger organizations have distinct cultures among logical groups of people
 - Business unit
 - Department
 - Function
 - Location
- Coherency of these cultures is **EXTREMELY IMPORTANT**



WHO CARES ABOUT CULTURE? WHERE'S MY BOTTOM LINE?

- Companies with coherent, strong cultures generally have an easier time adapting to change.
- Companies with coherent cultures are “marching to the same beat” – every part of the organization is focused on the same basic goals.
- Managing and changing culture can have huge impact on customer satisfaction and repeat business. Consider Ritz – “It would be my pleasure.”
- From a Lean perspective, any inconsistency in goals and objectives or any conflict between departments over operating methods is all pure WASTE.
- Strong, coherent and “lived” company cultures are excellent recruiting tools.



SIPOC AND RACI AS LINKAGES

- Because they define boundaries, roles, and responsibilities, SIPOC and RACI can help with cultural coherency
 - Interface definitions
 - Clear definition of responsibilities
 - Clear definition of roles
 - Reduction in “dropped balls”, turf wars, and interdepartmental hostility



EXAMPLE: SIPOC AUDITING

- SIPOC framework for internal auditing
- Focus on inputs – what do you need to do this job, and how do you measure success?
- Focus on outputs – what do you produce, and how do you know it is good?
- Focus on interfaces – who provides your inputs, who receives your outputs?
- Results
 - Clearer definition of what is needed to make the predecessor, current, and successor processes work better
 - Ownership of inputs and outputs
 - Reduced finger-pointing conflict through clear and defined expectations

EXAMPLE AUDIT CHECKLIST QUESTIONS FOR SIPOC

- What does this process produce (output)?
- How is the quality of that output measured?
- Who uses these outputs (customer)?
- What do you need to begin the process (input)?
- Who provides those inputs (supplier)?
- How is the quality of those inputs measured?

TYPICAL SIPOC AUDIT RESPONSES

- **Example process: Purchasing**
- What does this process produce (output)?
 - Purchased parts
 - Purchase order records
 - Accounts payable information
- How is the quality of that output measured?
 - Incoming inspection of purchased parts
- Who uses these outputs (customer)?
 - Production
 - Incoming Inspection
 - R&D
- What do you need to begin the process (input)?
 - Requisition
 - MRP demand
 - Drawings/specifications
 - Approved supplier list
- Who provides those inputs (supplier)?
 - Supplier quality
 - Production
 - R&D
 - Sales forecast
- How is the quality of those inputs measured?
 - Forecast accuracy
 - ECOs caused by supplier concerns

EXAMPLE: INCORPORATION OF RACI IN PROCEDURES

- Requires clear definition of ownership
 - No more “A and B are responsible” situation
 - Requires definition of accountability
 - Clear definition of what functions need to be consulted and informed
- Result: Every function understands their role – one point of responsibility, leads to reduced interdepartmental stresses

HOW TO: RACI IN PROCEDURES

- Start with a draft procedure
- Make sure you understand who actually performs each step
- Define roles (NOT necessarily job or organization-based), including requirements for performing that role
- Set the “R” for each step or deliverable
- Determine who has overall or specific accountability for each step and add the “A” (could be the same)
- Assess for each row who needs to be consulted or informed – add roles as needed

HOW TO: SIPOC IN PROCEDURES

- Include explicit Input and Output sections in the procedure
- Include basic metrics in the procedure (but keep them high-level for flexibility)
- Include suppliers and customers as Roles in your RACI charts
- Make the interfaces within the procedure (e.g. form or workflow handoffs) as explicit as possible.

CONCLUSION

- RACI and SIPOC provide a means of bridging gaps within the organization that contribute to cultural differences
- By bridging these gaps, RACI and SIPOC provide a more coherent culture, which makes leadership efforts to change culture more efficient and widespread
- RACI and SIPOC also provide benefits from an auditability perspective – auditors, customers, and regulators all like to see clearly defined responsibilities and processes

