# What is a RACI

Strategic Supplier Relationship Management (SRM) is a truly cross-functional and cross-business activity and demands a high-level of stakeholder engagement and support from both the NZ Government and the supplier.

Fundamental to effective SRM are clearly defined roles and responsibilities across all activities and interactions with the supplier. Typically this involves listing all activities and interactions with a given supplier and allocating the appropriate role to various members of the extended supplier management team. The roles cover Responsibility, Accountability, Consultation, and Information only (RACI). The output should be a single RACI for each supplier relationship.

This template helps identify stakeholders and assign appropriate roles and responsibilities (from both the NZ Government and supplier side).

From a supplier perspective, setting up the SRM team externally ensures commitment from the supplier to the resources and activities for SRM. Internally, establishing the range of roles and responsibilities for SRM is fundamental to building capability and providing clarity to both the internal business and suppliers.

## How to use this RACI template

Complete the RACI table in this document with your key supplier contacts. This allows you to assign roles and responsibilities to each of the stakeholders involved in the relationship.

Align each supplier activity or interaction to the appropriate role and define if that role is responsible, accountable, needs to be consulted or only requires information.

Create the high-level RACI and then fine tune according to individual variations in your operating model.

The RACI should be reviewed on a regular basis to ensure it is still relevant and takes into account any personnel or organisation changes.

All strategic suppliers that also sit within the NZ Government's list of strategic suppliers should be included in the RACI template.

## RACI definitions

**Responsible** The person that is responsible for completing the task / activity (ideally should be one person only)

**Accountable** The person that makes the final decision and ultimately has the ownership (should be one person only)

**Consulted** The person / people that should be consulted before an action / decision or task / activity takes place (they will normally provide you with information to support conducting the activity or task)

**Informed** The person / people that should be informed once the action / decision has been made or the activity / task have been performed. They can also be kept updated on the progress of the task / activity

# RACI template

|  |  |
| --- | --- |
| Supplier Name |  |

|  |  |
| --- | --- |
| SRM role (supplier specific) | (Complete with individuals’ name) |
| Accountable Executive |   |
| Supplier Relationship Manager |   |
| Supplier Representative |   |
| Workstream Leads |   |

\*Update roles based on the structure of your organisation.

| Activity | Supplier |  | Department |
| --- | --- | --- | --- |
| Key Account Manager | Accountable Executive | Supplier Relationship Manager | Supplier Accountable Executive | Workstream Lead | Department Accountable Executive | Department SRM Lead | Functional Stakeholders | Other Stakeholders |
| Complete supplier segmentation |  |  |  |  |  | A | R | C | C |
| Define department SRM value proposition |  |  |  |  |  | A | R | C | C |
| Set up SRM team internally and externally (RACI) | R | I | I | I | I | A | R | C / I | C / I |
| Complete contract landscape map and deep dive |  |  | R | A |  |  |  |  |  |
| Complete supplier SRM value proposition | R |  | R | A |  |  |  |  |  |
| Complete Department stakeholder map and communication strategy |  |  | R |  |  |  |  |  |  |
| Hold internal kick-off | R |  | R |  |  |  |  |  |  |
| Hold supplier kick-off | R | A | R |  |  |  |  |  |  |
| Conduct 360 | R |  | R | A | C / I |  |  | C / I | C / I |
| Establish performance reporting | C |  | R | A | C / I |  |  | C / I | C / I |
| Define governance model | C |  | R |  | C / I |  |  | C / I | C / I |
| Identify issues and ongoing performance from metrics  |  |  | A |  | R |  |  | C | C |
| Establish service improvement plan for recurring issues  | R |  | A |  | R |  |  |  |  |
| Establish service improvement plan for continuous improvement  | R |  | A |  | R |  |  | C / I | C / I |
| Hold operational performance meetings | R |  | R |  | C |  |  | C / I | C / I |
| Review relationship progress, Inc. initiatives and workstreams | I | A | R | I | C |  |  | C | C |
| Review and resolve escalated operational / risk issues | I | A | R | A | C / I |  |  | I | I |
| Hold relationship review meetings | R | A | R | A | C / I |  |  | C / I | C / I |
| Hold strategic relationship meeting  | I | R | C | R | C / I |  |  | C / I | C / I |