



GAP ANALYSIS

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- A technique for determining the steps to be taken in moving from a current state to a desired future-state. Also called need-gap analysis, needs analysis, and needs assessment.

- Gap analysis consists of (1) listing of characteristic factors (such as attributes, competencies, performance levels) of the present situation ("what is"), (2) Cross listing factors required to achieve the future objectives ("what should be"), and then (3) highlighting the gaps that exist and need to be filled.



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Gap analysis identifies gaps between the optimized allocation and integration of the inputs (resources), and the current allocation level. This reveals areas that can be improved.

Gap analysis involves determining, documenting, and approving the variance between business requirements and current capabilities. Gap analysis naturally flows from benchmarking and other assessments. Once the general expectation of performance in the industry is understood, it is possible to compare that expectation with the company's current level of performance. This comparison becomes the gap analysis. Such analysis can be performed at the strategic or operational level of an organization.



- "Where are we?" and

- "Where do we want to be?"

- gap analysis** is a tool that helps companies compare actual performance with potential performance

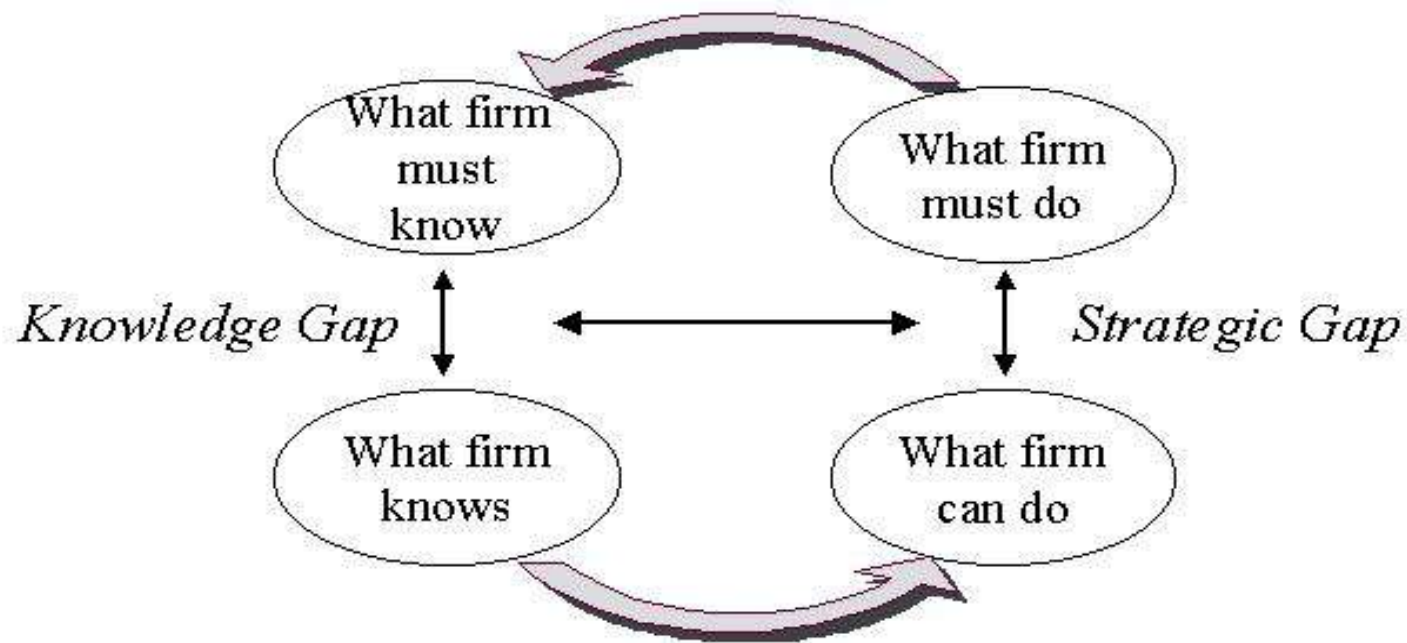
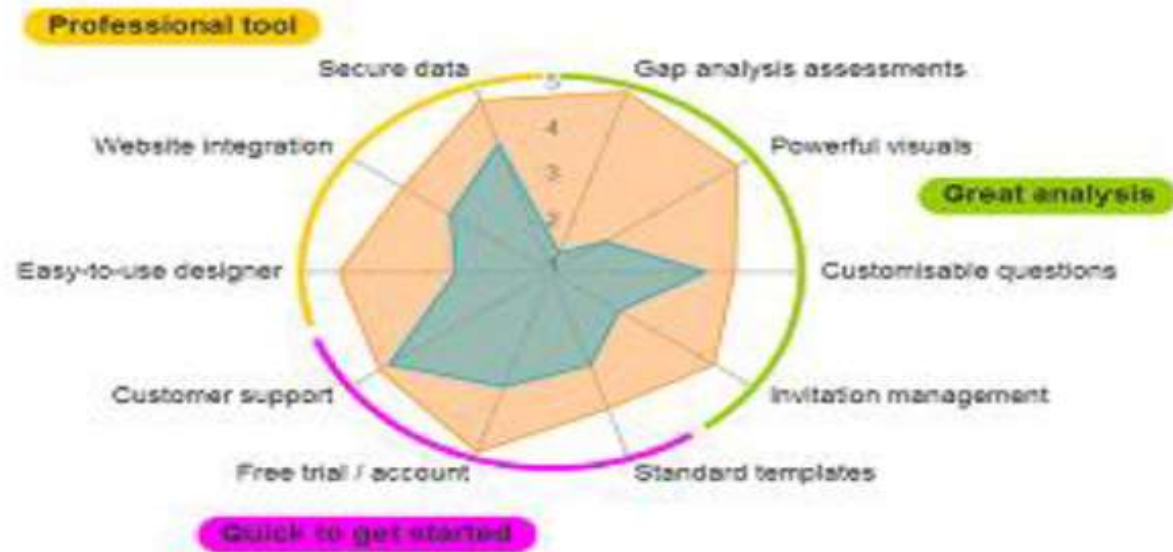


Figure 3

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The tool for gap analysis

Bench marking

Definition

- Benchmarking is the process of identifying "**best practice**" in relation to both products (including) and the processes by which those products are created and delivered. The search for "best practice" can take place both inside a particular industry, and also in other industries (for example -are there lessons to be learned from other industries?).
- The objective of benchmarking is to **understand and evaluate the current position** of a business or organization in relation to "best practice" and to identify areas and means of performance improvement.
- The Benchmarking Process
- Benchmarking involves looking outward (outside a particular business, organization, industry, region or country) to examine how others achieve their performance levels and to understand the processes they use. In this way benchmarking helps explain the processes behind excellent performance. When the lessons learnt from a benchmarking



exercise are applied appropriately, they facilitate improved performance in critical functions within an organization or in key areas of the business environment.

- Application of benchmarking involves four key steps:
- (1) Understand in detail existing business processes
- **(2) Analyze the business processes of others**
- **(3) Compare own business performance with that of others analyzed**
- (4) Implement the steps necessary to close the performance gap
- Benchmarking should not be considered a one-off exercise. To be effective, it must become an ongoing, integral part of an ongoing improvement process with the goal of keeping abreast of ever-improving best practice.