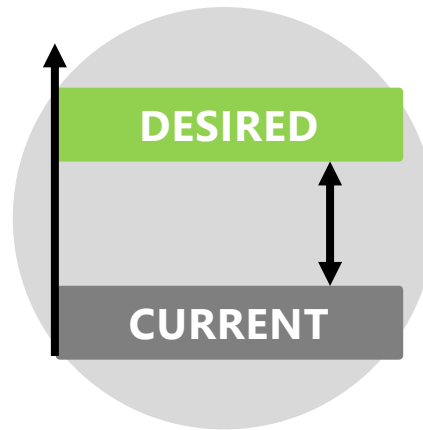


Continuous Improvement Toolkit

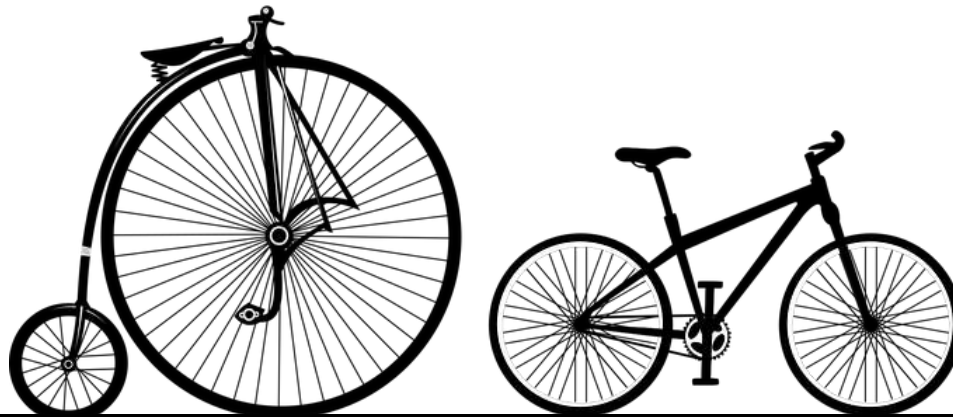
GAP ANALYSIS



GAP ANALYSIS

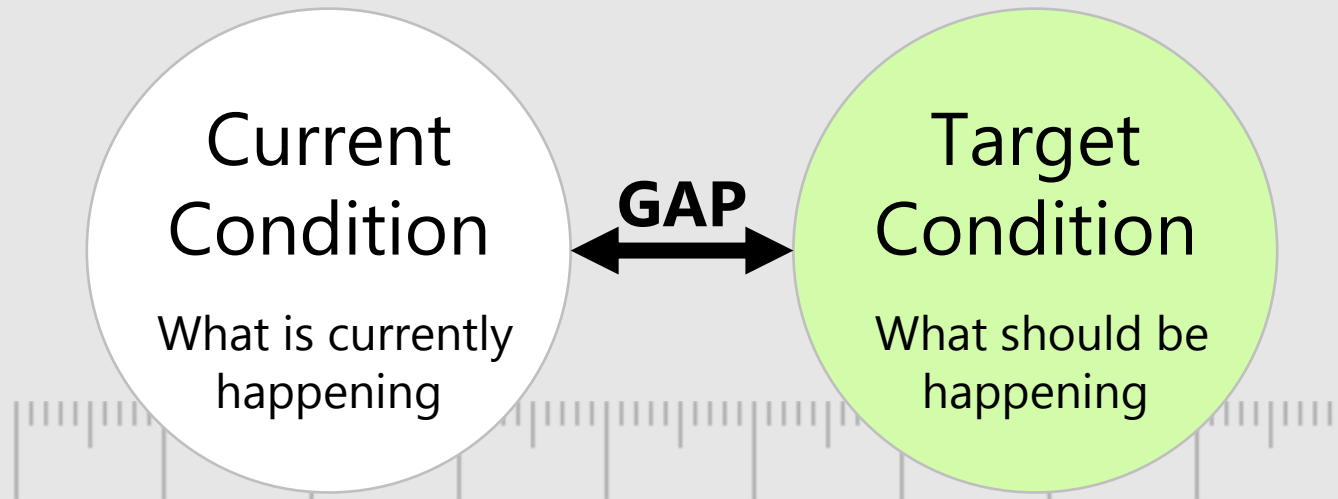
A **gap** is a problem, issue or challenge, and could be an opportunity for improvement.

Gap analysis involves assessing the difference between two things.



GAP ANALYSIS

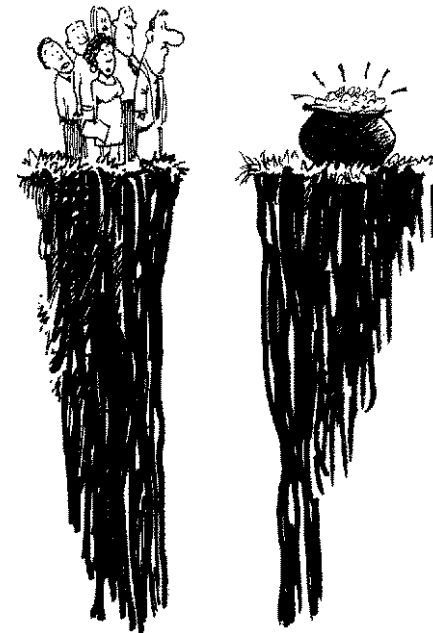
Mainly used to compare two different states of something, the current state and the future state.



GAP ANALYSIS

For example, it can be used to assess where a **company** or **process** is today, where it needs to be in the future, and what needed to be there.

There are **many reasons** to perform a gap analysis and **many ways** to perform it.



GAP ANALYSIS

If you find that your team's skills are lacking, for example, performing gap analysis involves **assessing** the current skills and comparing them to the desired level.



The **difference** between the existing state and the desired state is the gap

GAP ANALYSIS

There are many **real-life examples** where gap analysis can be applied.



Customers become dissatisfied with a company's customer service.

A hospital is operating under stress as ICU beds are occupied by COVID-19 patients.



A facility has recently a significant increase in workplace accidents and incidents.

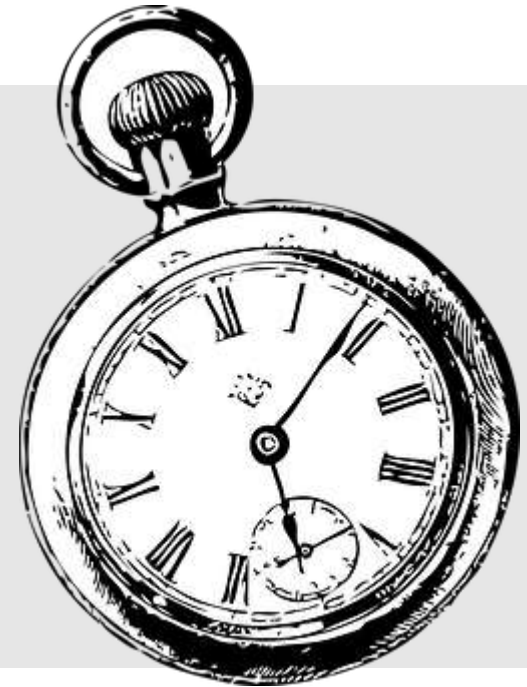
The food and drinks in a restaurant take too long to be served.



GAP ANALYSIS

The assessment of the current situation and the desired future state can be both quantitative and qualitative.

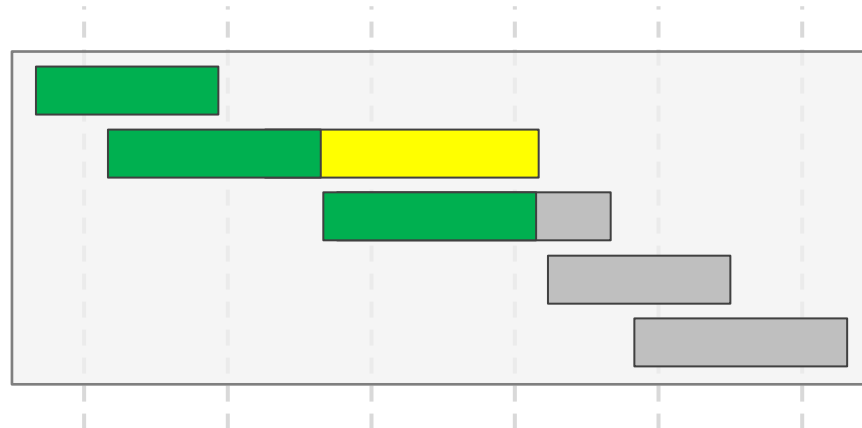
It is recommended that you use quantitative **metrics** which are related to the company's primary goals.



You may use these metrics **at any point** during the gap analysis process

GAP ANALYSIS

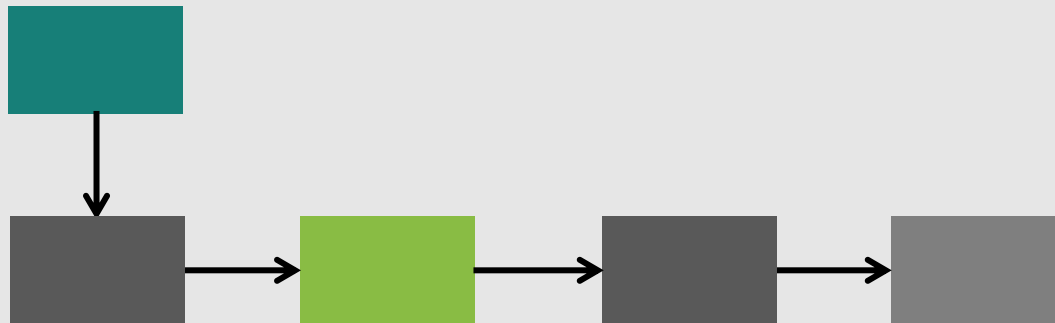
Once the gap is identified, an **action plan** can be developed to close the gap.



GAP ANALYSIS

In Process Management

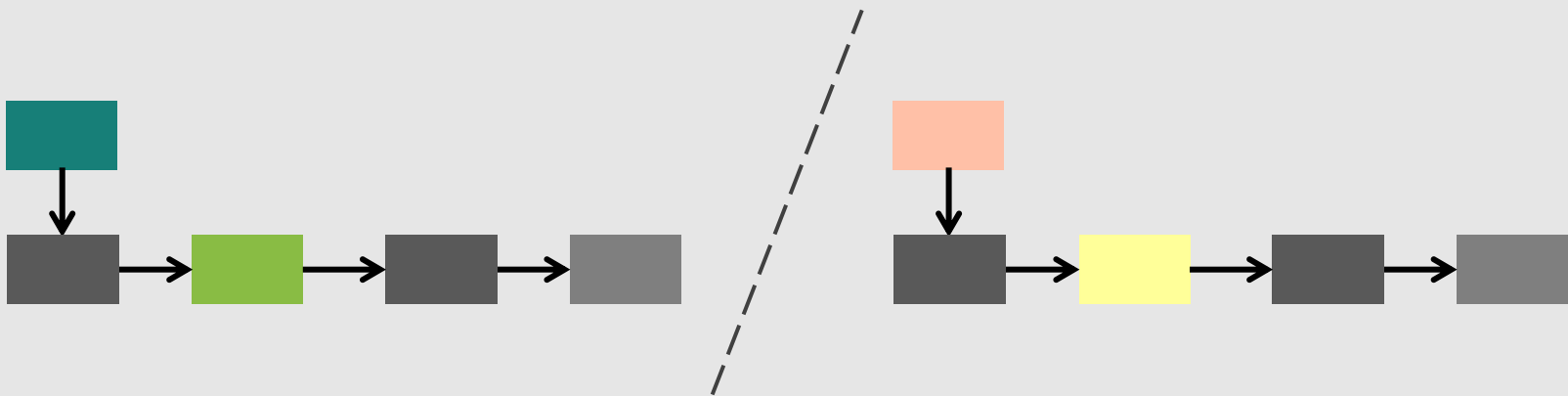
Can be used to address the unsatisfactory performance of a **process**, which allows to determine if the process needs to be simplified, streamlined or redesigned all over again.



GAP ANALYSIS

In Process Management

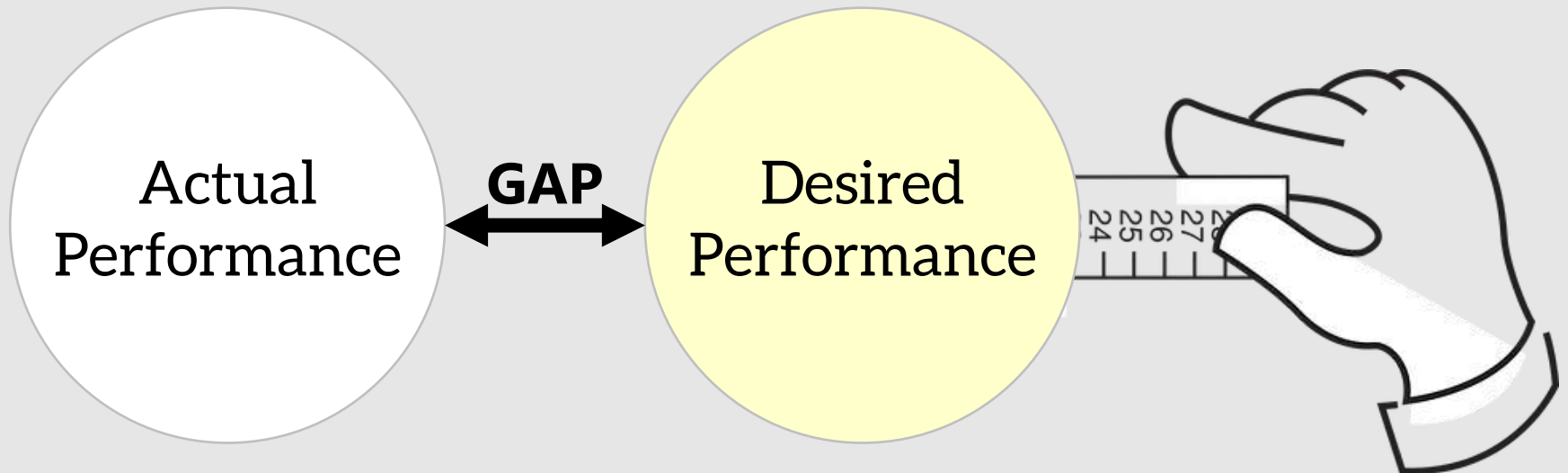
- ▶ Useful when comparing an existing process to a process that is performed elsewhere.
- ▶ Provides an excellent opportunity to learn from **industry leaders**.



GAP ANALYSIS

In Performance Management

Allows to compares the **actual performance** of a company against the desired performance.

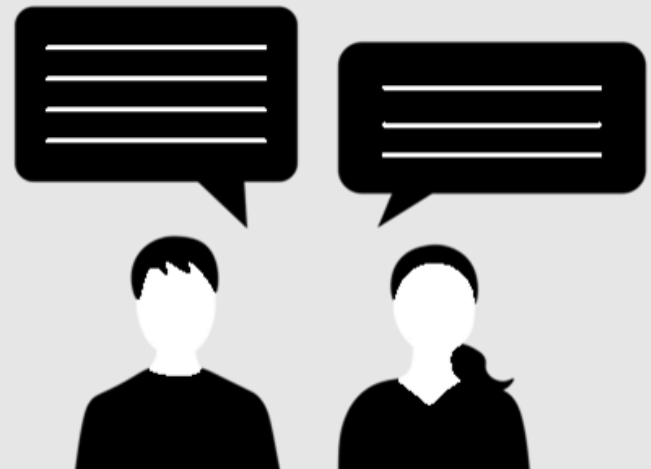


GAP ANALYSIS

In Performance Management

Helps to identify areas where a business is performing **below quality standards** or customer expectations.

It is important to **involve the customer** in the gap analysis process as they are key to close the gap.

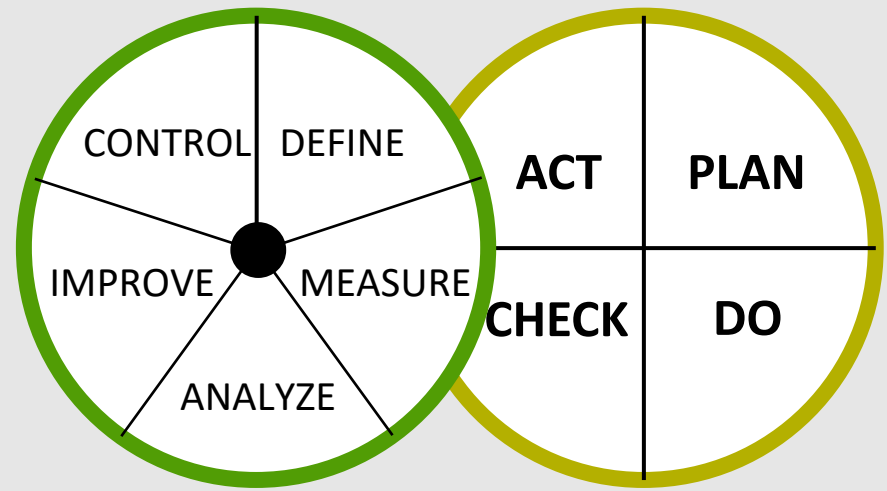


GAP ANALYSIS

In Project Management

Can be used before starting an improvement project to justify the initiation of the project.

Can also be used at the definition stage of a project which allows to better understand the business case of the problem.



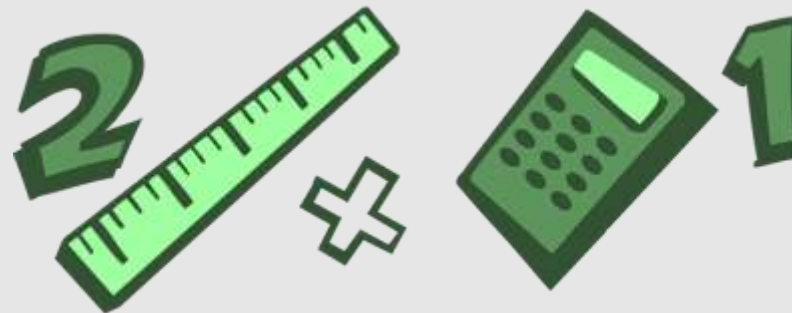
GAP ANALYSIS

BENEFITS

Brings understanding to the problems and issues faced

Helps selecting the solutions and projects of greatest impact

Indicates potential business opportunities and risks



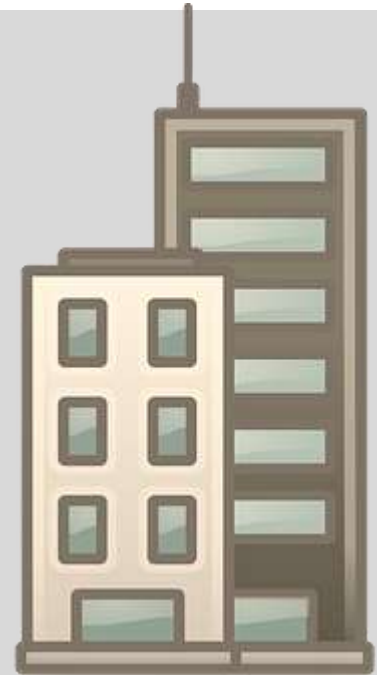
GAP ANALYSIS

Can be performed **at any** level of an organization.

Strategic level - comparing the condition of the business with that of the industry

Operational level - comparing the state of the performance with the desire state

Project and process levels



GAP ANALYSIS

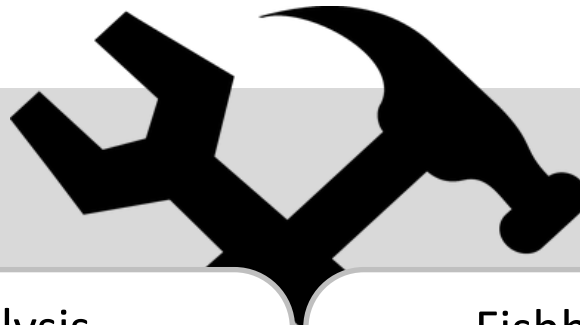
There is **no standard process** to conduct a gap analysis, and it doesn't need complicated methodology or software.

It should be tailored depending on the **situation**.



GAP ANALYSIS

Various **tools** and **models** can be used to turn the theory into practice and identify the gaps.



SWOT Analysis

Fishbone Analysis

Bottleneck Analysis

SPC Analysis

McKinsey 7S

Nadler-Tushman Congruence Model

GAP ANALYSIS

SWOT Analysis – Examine the gap between where a **company** currently is, where it aims to be in the future.

Bottleneck Analysis – Allows to understand the imbalances within a **process**.

Fishbone Analysis – Allows to examine different type of factors in a **process** which may affect the quality of a product or service.

SPC Analysis – Allows to understand how a **process** has been behaving over a time range.

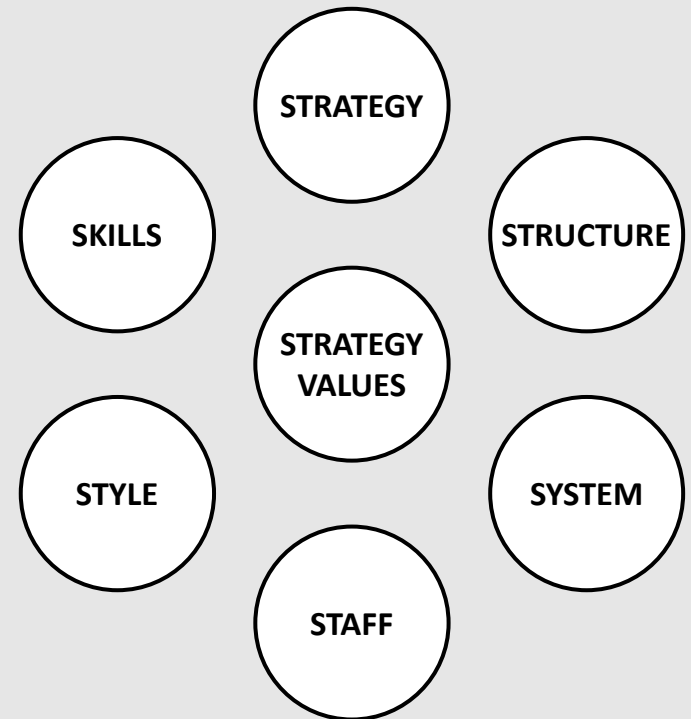
GAP ANALYSIS

McKinsey 7S – A framework that provides a way to understand and monitor the gaps and changes of a **company**.

These elements need to be aligned and mutually reinforcing for the company to perform well.

Can be used with the different type of changes; restructuring, merger, change of leadership, change in processes, new systems, etc.

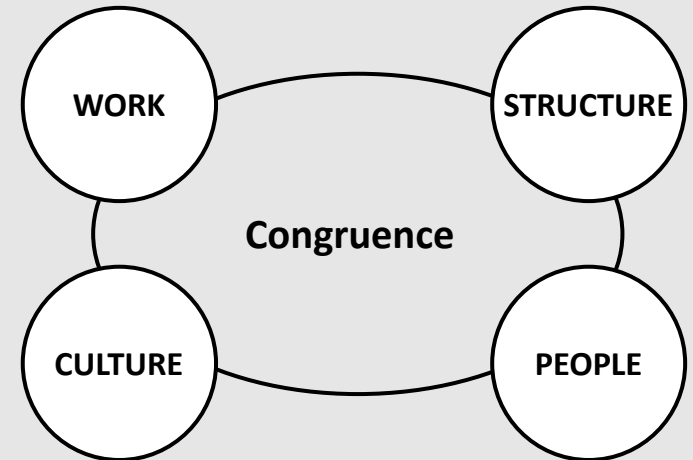
7S refer to key interrelated elements of any company . . .



GAP ANALYSIS

Nadler-Tushman Congruence Model – Examines the four aspects of that will transform inputs into outputs.

The 'congruence' of all parts working together will make up the **company** flow.



GAP ANALYSIS

Gap analysis involves **organizing information** in such a way that allows for proper comparison and analysis.

Such organizing of information can be simply accomplished using a table or chart without the need for a specific theoretical model to be effective.



GAP ANALYSIS

Data can be collected using any of the following . . .

Records and documentations

Subject Matter Experts

Interviews and focus groups

Observations

Surveys and self-assessment

Brainstorming

Benchmarking



GAP ANALYSIS

Typical Steps for Conducting a Gap Analysis

Choose a specific **problem** area you need to focus on

Identify your objective and what you are trying to achieve



GAP ANALYSIS

Typical Steps for Conducting a Gap Analysis

Understand the **current situation** and know where you are standing

Gather as much data as possible to clarify how you are performing at present

Ask questions such as . . .

Is the information documented somewhere?

Who has the knowledge that you need?

What data collection tools that can be used?

Is there is a need to conduct a benchmarking exercise?

GAP ANALYSIS

Typical Steps for Conducting a Gap Analysis

Identify the **desired outcome** that need to be achieved

Set SMART goals and make them aligned with your business goals



GAP ANALYSIS

Typical Steps for Conducting a Gap Analysis

Identify the **gap** between the two states and analyze the causes

You need to answer why it exists and what you can do about it



GAP ANALYSIS

Typical Steps for Conducting a Gap Analysis

Agree on the **steps** you need to take to close the gap

Identify the requirements and actions needed to be taken



GAP ANALYSIS

Example – The Food Takes Too Long to be Served

1. THE PROBLEM

Customers complained that the food takes too long to be served.

2. CURRENT SITUATION

The food takes on average 14 minutes to be served.

3. DESIRED OUTCOME

The food should be served no more than 11 minutes from ordering.

4. THE GAP

More than 3 minutes.

5. ACTIONS / REQUIREMENTS

- Obtain more opinions from customers about their experience.
- Ask employees what would help them provide faster customer service.
- Train employees to provide faster service.

GAP ANALYSIS

Example – High Spoilage Rate at Line #3

1. THE PROBLEM

High spoilage rate at line #3.

2. CURRENT SITUATION

Spoilage rate is too high according to industry standards (>8%).

3. DESIRED OUTCOME

Spoilage rate should be reduced below industry standards (3%).

4. THE GAP

More than 5%.

5. ACTIONS / REQUIREMENTS

- Improve spoilage measurement system.
- Improve spoilage awareness among employees.
- Focus on areas with the largest number of defects.

GAP ANALYSIS

Example – Having a Poor External Audit Score

1. THE PROBLEM

The last audit results were negative in all areas.

2. CURRENT SITUATION

External audit score is below expected standards (<60%).

3. DESIRED OUTCOME

External audit score should be above 90%.

4. THE GAP

More than 30%.

5. ACTIONS / REQUIREMENTS

- Improve documentation and control of documents.
- Comply with legal and other requirements.
- Maintain all external and internal communication records.

GAP ANALYSIS

Example – There is a Significant Increase in Incidents

1. THE PROBLEM

There is a significant increase in workplace incidents.

2. CURRENT SITUATION

Workplace incidents have increased 60% this year.

3. DESIRED OUTCOME

Reduce workplace incidents to be zero.

4. THE GAP

60%.

5. ACTIONS / REQUIREMENTS

- Review and analyze workplace accident and incident reports.
- Investigate the root cause of workplace accidents and incidents.
- Conduct safety training that includes risk assessment and safe work practices.

GAP ANALYSIS

Made with  by

CITOOKKIT

The Continuous Improvement Toolkit

www.citoolkit.com

© Copyright Citoolkit.com. All Rights Reserved.

www.citoolkit.com