GAP ANALYSIS

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Abstract / Definition
A comparison of the objectives and the expected business outcomes usually leads to a performance gap between the two. Gap analysis is concerned with why the gap occurs and the development of measures for reducing or eliminating it. This might be achieved by changing the objectives, or by changing strategy at the level of the businesses. The first step in gap analysis is to consider revising the corporate objectives. If expected outcomes from the businesses should exceed aspirations, the objectives can be revised upward. When aspirations substantially exceed possible performance, it may be necessary to revise the objectives downward. When, after such adjustments, a significant gap still remains, new strategies need to be developed to eliminate the gap.

Keywords
Gap analysis, performance measurement

Link to publication