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Module 5: How to Conduct a Gap Analysis

Imagine you have an annual budget for team training and development. Where do you invest it? Or, say that you're devoting a set amount of time to individual mentoring and coaching. How do you make the most of your time with each team member?

Click on the first lesson below—or the “*Start eLearning*” button above—when you're ready to begin.



What's a Gap Analysis?



The Two Levels of Gap Analysis



4 Steps to Conduct a Gap Analysis



Summary



Knowledge Check

What's a Gap Analysis?



The Most Bang for Your Buck

Imagine you have an annual budget for team training and development. Where do you invest it? Or, say that you're devoting a set amount of time to individual mentoring and coaching. How do you make the most of your time with each team member?

Critical questions about team training and development that managers grapple with include the following: *What's the best way to allocate resources? What training topics take priority? And what skills, competencies, or values will offer the biggest return on our investment?*

A **gap** analysis is handy for addressing these questions. The process can help you determine what skills are most valuable to cultivate on your team so that you can allocate resources wisely. In this lesson, learn what a gap analysis is, why it's important, and how to conduct one.





How to Conduct a Gap Analysis

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What's a Gap Analysis?

A **gap analysis** is a tool to identify gaps between your team's current skills and the skills they need to achieve *future* goals. In other words, it's the difference between the skills that your team needs and the skills that your team has.



A gap analysis compares current performance with long-term potential.

Why Is a Gap Analysis a Valuable Business Tool?

Conducting a gap analysis helps you identify the missing skills that your team and business need. You can use this awareness to make smarter decisions in hiring,

training, and developing your team. It can also help you optimise your resources by investing them in the right places. A gap analysis considers where the company is heading and works to equip your team with the tools they need to succeed in the long term.



A gap analysis tells you where to invest your energy and resources. It's a step towards bridging the gap between present and desired team skills.



Complete the content above before moving on.

The Two Levels of Gap Analysis



You should conduct a gap analysis on both an **individual** and **organisational** level. Conducting a gap analysis at an *individual* level will help you determine the best ways to train, coach, or mentor individual team members. It will give you direction on new ways to expand an individual's skill set or contribution to the company.

In contrast, a gap analysis on an *organisational* level will help you evaluate the team's collective needs and opportunities for growth. A gap analysis conducted on an organisational level can inform hiring decisions or promotion opportunities. Click on the two flashcards below to learn more:

Individual Level

Compare the knowledge, skills, and abilities that a role requires with the actual knowledge, skills, and abilities that an individual currently has.

Organisational Level

Compare future team or project needs with present team capabilities.



Complete the content above before moving on.

4 Steps to Conduct a Gap Analysis



No matter what level you look at, a gap analysis involves comparing your company or team's current state with a desired, future state. An effective gap analysis is future-oriented. It predicts what skills or competencies your team will need to move forward and continue to evolve. Click through the step-by-step interaction below to learn how to conduct a gap analysis:

Step 1

Define Your Desired State

Where are you going?

First, you need to understand your team or business goals. Where are you heading? What is the bigger vision, and how do you break that vision down into measurable values, goals, or skills? For example, perhaps you want your team to maintain a 98% customer satisfaction rate or a 24-hour response time. Or, perhaps the company's staff will grow rapidly over the next year, so you see the need for more leaders within the company to manage sub-teams.

Be specific when defining your desired state. Clarify what tangible outcomes your team needs to achieve to be successful. Ask yourself the following prompts:

- *Where is the company or team heading?*
- *What are our team or business goals for the year?*
- *What do we hope to do, create, or achieve next?*
- *What projects are in the pipeline?*
- *What outcomes are vital to our growth or future success?*

Step 2

Assess Your Current State

Where are you now?

The next step is to assess your current state. Where are you now? Take a look at your team's current knowledge, skills, and abilities. Evaluate your team's or company's current performance. There are many ways to do this. For example, you might assess your current state through:

- Observation
- Surveys or reports
- Performance metrics
- Performance reviews
- Interviews with team members

Try to base your assessment on **data**. For example, if you're trying to understand your team's current culture, you might conduct an anonymous survey to get a better understanding of how team members perceive company culture. In this situation, gathering multiple perspectives gives you a better data pool.

Step 3

Identify the Gaps

What's missing?

Now it's time to compare and contrast. Compare your desired state that you defined in step one with your current state that you examined in step two. Contrast where you are against where you're heading to identify **gaps** between the two. What's missing? What skills, values, or resources are needed to take you from your *current* state to your desired state?

For example, you might notice that there's a significant gap between your team's actual output and desired output. What's preventing your team from being able to work more efficiently? You might find that they need more efficient systems or standardised processes. Or, perhaps individual team members need more training to gain the competence and confidence they need to do work faster.

Step 4

Bridge the Gaps

What can you do about it?

The final step is to identify specific action steps that you or your team can take to bridge the gaps that you've found. What can you do about it? How can you start building the skills or competencies that your team needs to achieve their desired state? For example, you might decide to:

- Coach, mentor, or give feedback to individuals
- Conduct online training for your team
- Send team members to conferences or seminars
- Assign peer-to-peer coaching or mentoring
- Improve or update processes
- Start a new initiative
- Delegate tasks strategically
- Create individualised career development plans
- Hire or restructure teams for gaps

There are many different ways that you might approach a gap. Get your team's input to help you brainstorm creative and effective ways to bridge the gap and get team buy-in.



Complete the content above before moving on.

Summary



Good managers equip their teams with the skills, tools, and resources they need to meet the company's current needs. Great managers equip their teams with what they need to meet the company's *future* needs. A gap analysis is a tool that managers can use to identify gaps between the skills that their teams currently have, and the skills that they'll need to achieve future goals. To conduct a gap analysis, follow these four steps:

- **Define your desired or future state.** Where is your team or business heading?
- **Assess your current state.** Where is your team or business now?
- **Identify the gaps.** What's missing between your current and desired state?
- **Bridge the gaps.** What specific steps can you take to cultivate the skills your team needs?

A gap analysis can be conducted on an individual or organisational level. It can be used to help individuals chart their next steps for development, just like it can be used for departments, teams, or companies to pinpoint their most pressing needs. A gap analysis will help you determine the most valuable way to allocate training resources.



Use spreadsheets. Spreadsheets are a simple tool for conducting gap analyses that involve numbers or metrics. You

can write your desired numbers in one column and your present numbers in another. Set up a third column to calculate the difference between the two columns automatically, and quickly see where the gaps are. However, remember that you'll need to do some detective work and ask why there is a discrepancy in identifying the underlying cause of the gap.

CONTINUE

Lesson 5 of 5

Knowledge Check



Module 5: Review Question

Question

01/01

True or False. The “gap” in a gap analysis describes the discrepancy between your current state and desired or future state.

True

False