Mind the Gap: What is an ITIL Gap Analysis?
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Introduction

How organizations use ITIL best practice guidance to identify process efficiency and effectiveness

A perennial question that organizations adopting ITIL best practices have is, “Where do I begin?” ITIL attempts to answer this question; however, organizations often find it difficult to generate initial momentum during a program of service management best practices adoption. ITIL describes a gap analysis as a means of identifying areas where an organization falls short of its long-term vision. This paper describes in depth what a gap analysis is, what it entails, and the methodology behind a gap analysis, as well as a phased approach to delivering a gap analysis. Furthermore, this paper includes a discussion of the benefits of conducting a gap analysis.

What Is a Gap Analysis?

ITIL describes a gap analysis in the Continual Service Improvement (CSI) Book:

“A gap analysis is a business assessment tool enabling an organization to compare where it is currently and where it wants to go in the future.”

According to the ITIL CSI Book, a gap analysis identifies where an organization is falling short of its intended vision.
Figure 1 shows several aspects of a gap analysis, including how gaps are identified at different levels throughout the organization and within each of the different lifecycle stages that ITIL describes.

Dependent upon clear identification of vision
Before a gap analysis can be undertaken, an organization must clearly understand its long-term vision with respect to the subject of the gap analysis. In other words, the organization must know what the desired state is that they want to compare their current state to.

When conducting a gap analysis, many organizations will choose to compare themselves to the full set of ITIL best practices, implying that their desired vision is to operate as closely to best practice guidance as possible.

Affected by scope
The scope of a gap analysis should be clearly defined. According to ITIL, the scope of a gap analysis is situational in nature. An organization might conduct a gap analysis on their overall organizational processes and IT capabilities, or they might focus a gap analysis on some aspects of their business operations and processes. Additionally, a gap analysis could be focused on overall information technology or some aspect of information technology, such as a tool implementation.

Conducted using a standard set of questions
A gap analysis is typically conducted using a standard set of questions that the organization will use when conducting future gap analysis activities. A gap analysis asks several questions at each level of the scale chosen
for each process area. The following gives examples of some of the questions that are commonly part of a gap analysis for the service level management process:

- **Level 1.0** – Have you identified customers for your IT services?
- **Level 1.5** – Has the appropriate data on which to base your service levels been identified?
- **Level 2.0** – Does an underpinning catalog of technical services exist?
- **Level 2.5** – Do you compare actual service achievements against agreed service level targets?
- **Level 3.0** – Are standard service reports produced and regularly reviewed?
- **Level 3.5** – Does the organization set and review either targets or objectives for service level management?
- **Level 4.0** – Do you provide management with information concerning trends in service-level requests?
- **Level 4.5** – Is service level management consulted by change management concerning the potential impact of changes to agreed service levels?
- **Level 5.0** – Are you actively monitoring trends in customer satisfaction?

**Compares evidence and responses to a scale**

ITIL does not come pre-packaged with a scale to help identify the extent to which an organization adheres to the best practice. Many different scales have been used. Most commonly, a scale that resembles a CMMI scale is used that shows levels from 1 to 5, with level 1 being low maturity and level 5 representing high maturity.

An item commonly seen in a gap analysis is a graph specific to a process area that shows the conformance of the organization at each level of the assessment. Figure 2 below shows a simple version of sample graph used in a gap analysis.
Conclusions are important

The conclusions of a gap analysis are intended to describe how much effort is required in terms of time, money, and human resources to achieve the vision. Although not explicitly stated by ITIL, this implies three significant things.

First, a gap analysis not only identifies where an organization is falling short of its desired vision, it also describes what an organization is doing that is already in agreement with best practice guidance.

Second, a gap analysis, as described by ITIL, requires the introduction and use of a scale. This scale helps the organization identify where they stand with respect to the best practice guidance.

Third, a gap analysis describes specific actions that can be taken to “close the gaps,” which will move an organization closer to its vision. An effective gap analysis provides some means to prioritize these recommendations such that the organization knows the most effective starting point.
What Are the Benefits of Conducting a Gap Analysis?

There are numerous benefits to conducting a gap analysis, including:

- **Identifies an organization’s starting point** – A gap analysis effectively establishes a baseline that the organization will use to measure and describe their progress over time. In fact, this baseline is so important to show how an organization has improved over time, that many organizations begin a program of ISO/IEC 20000 certification with a gap analysis.

- **Clarifies which part of ITIL should come first** – This is a question that organizations adopting ITIL best practices constantly ask. Given the breadth and depth of ITIL, it’s often difficult to identify the most effective starting point. Often, in those cases, the organization will choose the incorrect starting point, and benefits of the program will not be quickly realized. One of the benefits of a gap analysis is that it clarifies where an organization should begin based on need and cost-effectiveness. This often results in significantly reduced overall program costs and timescales.

- **Identifies what an organization does well** – Every organization does something well. An effective gap analysis identifies what an organization does that is already in agreement with best practice guidance. This is beneficial because it saves the organization time and money by not redoing something that they already do in the ideal manner.

- **Identifies hidden capabilities** – ITIL defines capabilities as intangible assets, such as processes or ways of doing business. One of the most significant benefits of a gap analysis is that they often identify capabilities within the organization that the overall organization was not aware existed. This saves significant time and money, because an organization can choose to promote these approaches throughout the organization, rather than pursuing a program of adopting new approaches.

- **Communicates the vision** – An often unspoken benefit of a gap analysis is that it is a formal means of communicating the organization’s overall vision throughout its ranks. A beneficial side effect is that through participation in a gap analysis, stakeholders in the organization learn more about the overall vision and how that vision affects their activities.

- **Decomposes a vision into objectives** – Visions are great to have, but often difficult to achieve. It’s one thing to create a vision, another to effectively communicate it, and yet another to sufficiently decompose that vision into achievable goals. The conclusion of a gap analysis provides a list of prioritized activities that an organization can complete to move itself closer to its vision.

What Is the Methodology Behind a Gap Analysis?

An effective gap analysis is very similar to an audit. A typical gap analysis involves two types of audit activities: an audit of intent and an audit of action.

**Audit of intent**

An audit of intent is an assessment and review of the organization’s existing documentation and collateral that describes their intended approach or activities. For example, an organization conducting a gap analysis on their Service Desk organization might have a number of process flows defined that explain their overall incident management and request fulfillment process flows, as well as specific activities to handle individual incidents and requests.
An audit of intent requires anywhere from one day to several weeks, depending upon the scope of the gap analysis. Often, organizations will have to spend significant time getting their existing documentation and collateral assembled for use by those conducting the gap analysis.

Audit of action

An audit of action seeks to uncover how well the organization adheres to its stated intent and best practices. For example, an organization conducting a gap analysis on their Service Desk organization might be interested in understanding how closely a service desk analyst follows a defined request fulfillment process for handling common user needs.

An audit of action requires anywhere from one day to several weeks, depending upon the scope of the gap analysis. This type of audit often uses questionnaires to assess where an organization stands with respect to the information uncovered in the audit of intent. Furthermore, an audit of action typically involves observation of live activities as a means of assessing the extent to which those operational activities adhere to stated organizational intent.

Findings and report generation

Upon completion of the audit of intent and audit of action, those conducting the gap analysis will compile the various findings to produce the main output of the gap analysis, the gap analysis report.

While compiling these findings, it is commonly necessary to revisit key items from the gap analysis in order to gain further confirmation of intended and observed activities. Therefore, those conducting the gap analysis may at this point request several follow-up meetings to confirm their findings.

Once the findings are confirmed, those conducting the gap analysis will produce the draft gap analysis report. The draft report will cover the scope of the gap analysis, provide an executive summary of the results, and will describe how the organization performed with respect to its stated goal. Findings are often presented graphically, along with sufficient detail to describe the observations and support any identified action items.

Review, update and acceptance

During a gap analysis, it’s often useful to allow key stakeholders in the activity to have an early preview of the findings. This helps to clarify any misunderstandings and ensure that the findings are in-line with stakeholder expectations. Nothing about a gap analysis should be a surprise; therefore, it is often valuable to enlist stakeholder support throughout the development of findings and action items.

Once key stakeholders have reviewed the draft gap analysis and necessary updates and additions have been made, then the final draft analysis is written. It is wise to have some formal documentation that the final gap analysis report was accepted by key stakeholders.
Key contents of the gap analysis report

The key contents of a gap analysis report include:

- Information detailing how the organizations compares to its stated goal
- Identification of areas where the organization meets or exceeds stated best practice
- Identification of areas where the organization falls short of stated best practice
- Identification of specific action items that will help an organization close any identified gaps. These specific action items should be prioritized in some pre-defined way that is useful to the organization.

The gap analysis concludes with a formal presentation of these key findings. This often takes several forms. First, executives in the organization are interested in a high-level overview of the results of the gap analysis. Second, specific teams in the organization are interested in findings relative to their areas. Finally, the sponsors of the gap analysis are likely interested in the overall findings of the gap analysis. Each of these audiences is different and requires presentation of the findings in different formats. These formats typically include in-person meetings and printed reports of the gap analysis.

What Are the Specific Phases of a Gap Analysis?

A gap analysis consists of a series of predictable and repeatable phases. These phases are:

Phase 1 – Planning

The first phase of a gap analysis is focused on planning the other phases of the gap analysis. Without a clearly established scope and an effective plan, there is a high risk that the gap analysis will not achieve its desired results. The completion of this phase before moving to subsequent phases ensures that a clear scope is established, and all of the planning aspects necessary for a successful gap analysis are completed.

This phase includes the following activities:

- Define and agree to the scope of the gap analysis
- Finalize and establish statement of work and gap analysis budget
- Define and agree on gap analysis deliverables
- Identify stakeholders
- Agree to questionnaire content
- Agree to gap analysis format
- Establish formal project plan
- Establish formal communication plan
- Schedule assessment activities
- Kickoff gap analysis

The planning stage requires anywhere from a few days to several weeks depending on the level of resource commitment. At times, part of the planning phase can be used by the organization to secure funding for gap analysis activities.
Phase 2 – Discover and review background information

Phase 2 focuses on the completion of audit of intent activities. This involves identifying and reviewing several types of information in an attempt to establish the organization’s stated intent. Organizations exist in many forms, and it is the purpose of this phase to uncover relevant information that describes an organization’s intended purpose.

This phase typically includes the following activities:

• Identify and review existing policies and process descriptions
• Identify and review existing services and service documentation
• Identify and review existing process flowcharts
• Identify and review roles and responsibilities
• Identify and review key process outputs
• Identify and review existing communication plans
• Identify and review continuous improvement activities and plans
• Identify and review relevant management and customer reports
• Identify and review intranet and other internal information stores

The duration of phase 2 depends on the scope of the analysis. A gap analysis with a small scope might only require a few days, whereas a gap analysis that compared an organization against all ITIL processes might require several weeks to complete phase 2 activities.

Phase 3 – Stakeholder interviews and operational observation

Phase 3 involves the completion of audit of action activities. Common phase 3 activities include using the established questionnaires to assess the level that an organization adheres to its stated intent, as well as observation of live operational activities in an effort to identify examples where the organization achieves, or fails to achieve, its stated intent.

This phase often includes the following activities:

• Interview service owners
• Interview service managers
• Interview process owners
• Interview process management
• Interview practice owners
• Interview other stakeholders
• Observe operational activities
• Document interviews
• Documentation operational observations
Phase 3 is similar in duration to phase 2. Depending on the scope of the analysis, the activities in this phase might take anywhere from a few days to several weeks. It is important to remember that only a limited number of interviews can be conducted per day, and that time must be allowed to detail any notes gathered in interviews.

Phase 4 – Draft gap analysis

Following completion of phase 3, the draft gap analysis is produced. During this phase, those conducting the gap analysis might issue requests for follow-up to stakeholders who were interviewed in phase 3 in order to confirm findings and ensure that the draft gap analysis is accurate. An important aspect of this phase is the validation of significant findings with key stakeholders to ensure that adequate understanding was achieved. Nothing in the findings of a gap analysis should be a surprise to the organization.

This phase includes the following activities:

- Issue follow-up requests
- Incorporate follow-up information
- Draft intermediate deliverable assessment for review
- Review significant portions of draft assessment with key stakeholders
- Validate gap analysis draft

The duration of phase 4 again depends on the scope of the analysis. A gap analysis with a small scope might require a small amount of documentation, whereas a full gap analysis typically results in a several hundred page gap analysis report. Adequate time must be allowed for reviews before the gap analysis is submitted to stakeholders and for the reviewers to consume the information and provide feedback.

Phase 5 – Complete Final Deliverables

Once the draft gap analysis report is complete and stakeholder feedback has been integrated, the final deliverables of the gap analysis can be completed. These final deliverables will include what has been agreed upon during the planning phase. The duration of this phase will be affected by how accurate the initial phase 4 activities were.

Phase 5 includes the following activities:

- Draft final gap analysis
- Provide short-, medium-, and long-term recommendations
- Conduction of formal gap analysis review meeting
- Communicate gap analysis results to various audiences
- Discuss next steps
- Formally close project
Phase 5 requires anywhere from a few days to a few weeks to complete, depending upon the significance of the updates and how many presentations of the gap analysis output are given.

The Gap Analysis Report
The primary output of a gap analysis is the gap analysis report. The gap analysis report contains the following significant items:

- **Title page** – Details the target of the gap analysis.
- **Document control and copyright** – Demonstrates document control, ownership and copyright details. Includes the revision history and the distribution list.
- **Table of contents** – Describes the overall content of the gap analysis and the location of significant content.
- **Executive summary** – Provides a high-level overview of the content of the gap analysis report for senior management.
- **Introduction** – Describes the scope, purpose, approach, and methodology employed during the gap analysis. This section also includes the scale used and the overall layout of the document, as well as the list of contributors and any references consulted throughout the report.
- **Overall findings** – Describes the overall findings of the gap analysis as well as the general trends seen in the findings and a list of recommendations that apply to all process areas.
- **Process area findings** – Describes the findings specific to each process area. The findings are initially presented as a graph to show how the organization compared to its chosen scale. The findings continue with written discussion for each process area and conclude with the list of recommendations. Process area findings are sorted by lifecycle stage.
- **Appendices** – Contain a list of all findings and recommendations.

What Should an Organization Do Following a Gap Analysis?
A gap analysis provides the organization with a list of prioritized improvement opportunities that, if completed, will likely move the organization closer to its vision. Logically, these action items identified as part of a gap analysis form the basis of a continual service improvement (CSI) program. More specifically, the items identified in a gap analysis can be used to jump-start the creation of what ITIL calls a CSI register.

A CSI register is a tool used to manage improvement opportunities. It provides a means to understand the status of all improvement opportunities that the organization has identified, and it offers a method by which the organization can prioritize its improvement opportunities. Given that a gap analysis produces a list of prioritized action items, fundamentally, this list is the basis for a CSI register full of identified and documented opportunities for improvement that the organization can complete to move closer to its vision.

The next thing that an organization should do is start completing the action items identified by the gap analysis.
Gap Analysis Costs

The primary cost associated with a gap analysis is the cost of the people that conduct gap analysis activities. A gap analysis should be conducted by individuals who are trained and experienced in conducting gap analyses. Furthermore, if the organization compares itself to the ITIL best practices, those conducting the gap analysis should have some level of expertise and comfort with the ITIL best practices.

An organization can use internal or external resources. The cost with using internal resources is primarily an opportunity cost, in that those resources could be deployed elsewhere. The costs using external resources will involve tangible expenses. The benefits of using external resources cannot be minimized, as it is much easier to get consultants that have expertise with ITIL, have conducted gap analyses before, and have seen what works and what doesn’t work in many different environments. Additionally, findings from internal resources often suffer from a lack of acceptance, whereas findings from external resources are much more likely to be accepted. The primary benefit of using internal resources is that they are familiar with the target environment.

Another aspect of cost is the number of sites that must be reviewed as part of the gap analysis. For example, if an organization is pursuing ISO/IEC 20000 certification at multiple sites, then the costs of any gap analysis activities will increase accordingly. If those conducting the gap analysis must travel to multiple sites to review information or interview stakeholders, then the costs of the overall gap analysis will increase as the number of sites and the number of people who must travel to those sites increases.

A gap analysis should, in time, “pay for itself” by identifying some short-, medium-, and long-term improvements that dramatically improve an organization’s overall quality and by potentially reducing the costs of delivering services.

Summary

The best practice guidance provided by ITIL can often be overwhelming. Many organizations experience significant challenges determining where they should begin. Often, this can result in ineffective use of time and money completing activities that either aren’t necessary or don’t provide a strong return on investment for the organization.

One technique mentioned by ITIL that an organization can use to kick off an ITIL adoption program is called a gap analysis. A gap analysis provides a means for an organization to compare its current intended and operational states to its desired vision.

As described in this paper, a gap analysis consists of several phases, and the output of a gap analysis often forms the basis of a CSI program. A gap analysis should result in the organization clearly identifying where is the most effective starting point for its adoption of ITIL best practices.

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About the Author
Michael Scarborough has worked in information technology for over twenty-two years in various roles including hands-on operation of IT systems, leadership of complex projects, establishing multi-platforms automation, and adoption of service management best practices. He has helped numerous organizations in various industries adopt ITIL best practices and is a PMP, an American Society for Quality Six Sigma Black Belt, and ITIL Service Manager, and an ITIL Expert. Michael currently helps large and small organizations make significant improvements through adoption of ITIL best practices, and regularly delivers ITIL training at all levels on behalf of Global Knowledge.