



Gap Analysis

Kurt Cobain, lead singer of the grunge rock band Nirvana, was fond of saying, "We have no right to express an opinion until we know all of the answers." Can I get a Hallelujah?!

By Dan Zahlis

Anyone working in industry is familiar with the many and varied opinions of auditors. Those being audited are much less familiar with receiving solutions (a.k.a. answers) from auditors.

The number of auditors a company experiences is defined by the risks posed by its products or services, the size and nature of its market, the breadth and variability of its distribution channels, the way the organization finances its risk (retain or transfer) and the regulatory environment where its goods and services originate and are eventually sold. Suffice it to say that a food processor in California, selling and distributing internationally, and buying insurance to finance his risk, knows a lot about auditors.

Multiple auditors are not necessarily bad and can be viewed as helpful harbingers of risk. Many business owners learn what is required to run their companies from the multitude of auditors sent by suppliers, customers, insurance carriers, insurance brokers, business consultants, accounting firms, corporate headquarters, distributors, certification entities and regulatory agencies. These auditing organizations audit similar business processes from differing perspectives. Audit action items frequently educate a company about the requirements of its business but they're often heavy on opinion (the what) and light on answers (the how).

Nobody "knows all the answers," but Active Agenda's Gap Analysis module allows auditors to provide solutions along with opinions.

Active Agenda's Gap Analysis items module is based on a list of Active Agenda's modules (a.k.a. business processes) and allows implementers to add related audit items on a module-by-module basis. In other words, the auditor generates a list of questions related to the solutions they carry with them. (e.g., How do you track OSHA recordables? I'll leave a free automated method with you.)

After an audit item list is created, an auditor can move a copy of the items to a Gap Analysis (a.k.a., audit) record on an as-needed basis. The result is an audit item checklist prepared in advance of an audit visit. Active Agenda allows the auditor to provide details of the items to be audited, the human resources typically responsible for each item and the estimated time to be spent during the evaluation. This checklist can be sent to the targeted facility in advance for personnel assignment on an item-by-item basis.

The Gap Analysis module also can be used during audits to capture results. As items are reviewed, the results are entered along with any commitments made during the visit. At the close out meeting, the auditor can provide a list of all findings and action items before she or he leaves the premises.

A key to the Gap Analysis module's design is the fact that each audit item flows from a module, or operational risk control automation solution contained within Active Agenda. This design allows auditors to streamline the audit process and leave a host of dynamic solutions to the opinions they record and express.

From an audited company's perspective, the Gap Analysis module streamlines the audit process, and each Gap Analysis item record contains a field to record how the organization addresses the specific audit question. This design allows frequently audited companies to answer these questions in advance.

One company asked us to add a field to mark audit items as an "Inquiry" in response to the many audit questionnaires they receive from their distributor network. The company uses the "Inquiry" field to filter audit items and build "answered audits" almost instantly. What once took days to achieve now can be accomplished in a matter of hours.

We developed the Gap Analysis module after spending a decade being inundated with process questionnaires and audits.

We created the module because we don't think anyone should ask questions unless they're prepared to offer and participate in solutions (a.k.a., answers) too.

What Gets Measured

The Gap Analysis module can be used to score specific and overall business process performance, quantify the number of audits conducted over time and reveal the number of hours spent participating in audits. Gap Analysis module measurements can be generated by organization, by business process or by specific participant. The Gap Analysis module helps organizations to measure and manage audit efficiencies and mitigation efforts.

What Gets Done

The Gap Analysis module allows organizations to improve the process of evaluating processes. The module enables the instant and dynamic recording of audit findings so that mitigation efforts immediately can begin following, and sometimes during, an audit. The module allows auditors to provide automated solutions (a.k.a., answers) along with their observations and opinions, and allows frequently audited companies to answer questions once and retain the benefits of the time they invest in the audit process.

This Month's Links:

Gap Items Demo: demo.activeagenda.net/frames.php?dest=L2hubWUucGhw

Gap Analysis Demo: demo.activeagenda.net/frames.php?dest=L2hubWUucGhw

Wiki: www.activeagenda.net/documentation/index.php?title=Gap_Analyses_Module

Forum: www.activeagenda.net/discussions/viewforum.php?f=118 **OH**