Applying the Gaps Model of the Service Industry: Five ways that Prevent Test & Evaluation from Meeting Customer Expectations

National Defense Industrial Association
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Allan Alfafara
Systems Test Engineer
Test Planning and Requirements
Common program questions

- How would I know that my program is delivering exceptional quality to my customer?

- How does my customer grade my performance?

- Is my organization covering everything it needs to do to succeed?

- Are tests and evaluations my only focus?
The Top 5 Companies in 2016 According To Fortune Magazine

<table>
<thead>
<tr>
<th>Companies</th>
<th>Revenues ($M)</th>
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</thead>
<tbody>
<tr>
<td>1 Walmart</td>
<td>$482,130</td>
</tr>
<tr>
<td>2 Exxon Mobil</td>
<td>$246,204</td>
</tr>
<tr>
<td>3 Apple</td>
<td>$233,715</td>
</tr>
<tr>
<td>4 Berkshire Hathaway</td>
<td>$210,821</td>
</tr>
<tr>
<td>5 McKesson</td>
<td>$181,241</td>
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Service- Person or entity providing deeds, processes, and performances to another person or entity

## Agenda

- How is the service model applied to a test organization?

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Causes</th>
<th>Solutions</th>
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<tbody>
<tr>
<td>Descriptions of the 5 Service Gaps</td>
<td>Causes of the 5 Service Gaps</td>
<td>Solutions of the 5 Service Gaps</td>
</tr>
<tr>
<td>-Identify areas in your organization where quality is lacking</td>
<td>-Understand the conditions that lead to specific gaps</td>
<td>-Learn of preventions or remedies to close specific gaps</td>
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Purpose is to provide an understanding of the service gap model to reflect on organizations in order to evaluate the quality provided to your customer whether internal or external.
Describing the Service Gap Model

- **Gap 1: The Understanding/Knowledge Gap**
  - Disconnect between customer expectations and contractor’s understanding of those expectations
  - Example: Customer wants a red apple, company thinks they want a green apple

- **Gap 2: The Service Design and Company Policy Gap**
  - Disconnect between contractor’s understanding and company policy
  - Example: Employees are told customer wants a green apple and employees do not have standards and policies to define what a green apple is and how it is to be gathered

- **Gap 3: The Service Performance/Delivery Gap**
  - Disconnect between company standards and actual service provided
  - Example: Lack of or abandoned company policies exists and employees deliver a green pear

- **Gap 4: The Communication Gap**
  - Disconnect between delivered service and external communication
  - Example: A green pear is delivered and apples are advertised

- **Gap 5: The Customer Gap**
  - Disconnect between customer's experience of the delivered service and customer expectations
  - Example: Customer thinks they received a green pear and customer expected a red apple
Causes of Gaps in a T&E Organization

Gap 1: The Understanding/Knowledge Gap
- Lack of customer research to identify needs and past experiences
- Lack of focus on customer personal needs and personal past experiences
- Lack of upward communication
- Unable to recover from inadequate service

Gap 2: The Service Design and Company Policy Gap
- Poor design in how service is performed
- Absence of customer-driven standards
- Inappropriate physical evidence and servicescape

Gap 3: The Service Performance/Delivery Gap
- Deficiencies in human resource policies
- Failure to match supply and demand
- Customer not fulfilling their roles
- Problems with other IPTs

Gap 4: The Communication Gap
- Lack of integrated services marketing communications
- Ineffective management of customer expectations
- Overpromising
- Inadequate horizontal communications
- Inappropriate pricing

Gap 5: The Customer Gap
- Lack of updates with customer on how to perceive the product
- Lack of updates with customer on what to expect of the product
- Lack of feedback of customer’s experience

Customer Expectations

Contractor’s Understanding of Customer’s Expectations

Service Delivery

Service Standards

Customer’s Experience

Descriptions | Causes | Solutions
Solutions to Gaps in a T&E Organization

<table>
<thead>
<tr>
<th>Gap 1: The Understanding / Knowledge Gap</th>
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<tbody>
<tr>
<td>Aware of word of mouth</td>
</tr>
<tr>
<td>Discuss customer experience and</td>
</tr>
<tr>
<td>expectations</td>
</tr>
<tr>
<td>Evaluate <code>Reliability, Responsiveness,</code></td>
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<td><code>Assurance, Empathy, Tangibles</code></td>
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<tr>
<td>Focus on vertical communication</td>
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<td>Sustain relationships with necessary IPTs</td>
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<td>Develop contingency plans</td>
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<table>
<thead>
<tr>
<th>Gap 2: The Service Design and Company Policy Gap</th>
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<tr>
<td>Voice any areas in process that cause concern</td>
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<tr>
<td>Gather all applicable Policies</td>
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<td>Provide ensure contracted deliverables</td>
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<th>Gap 3: The Service Performance/ Delivery Gap</th>
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<tr>
<td>Correct deficiencies in human resource policies</td>
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<tr>
<td>Prevent members from being over tasked</td>
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<tr>
<td>Ensure customers provide what they need to provide</td>
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<tr>
<td>Communicate issues concerning other IPTs upward</td>
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<table>
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<tr>
<th>Gap 4: The Communication Gap</th>
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<tr>
<td>Stay current with subcontractors</td>
</tr>
<tr>
<td>Stay current with other IPTs</td>
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<tr>
<td>Ensure policies and procedures are aligned across branches</td>
</tr>
<tr>
<td>Resolve customer problems quickly</td>
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<tr>
<td>Promise what can be delivered</td>
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<td>Good management of EVMS</td>
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<tr>
<th>Gap 5: The Customer Gap</th>
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<tr>
<td>Milestone reviews</td>
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<td>Working Groups</td>
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<tr>
<td>Customer Surveys</td>
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Take Away

Focus only on Test Design and Test Conformity, will not lead to full customer satisfaction.
Take Away

Awareness of all five gaps would decrease rework, increase customer validation, and lead to customer satisfaction.
THE VALUE OF PERFORMANCE.

NORTHROP GRUMMAN
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