bringing brands closer to customers

business impact analysis

version 1.5
21/07/2016

background & context

Business impact analysis (BIA) enables hps group to determine those activities that are time critical and the impact of disruption over a period of time on these critical functions. By doing this we can establish a maximum tolerable period of disruption (MTPoD) for each activity and the length of time within which normal levels of operation need to be resumed. All questions about this policy should be directed to compliance@hpsgroup.co.uk

document history

Version	Date	Author	Changes
1.0	27/09/2013	Geraint Morgan	Document creation
1.1	07/03/2014	Tracy Western	Initial review
1.2	13/03/2014	Tracy Western	Proof read
1.3	11/02/2016	Cassie L-M	Review and update
1.4	15/07/2016	Cassie L-M	CI update
1.5	21/07/2016	Cassie L-M	CI updates

document references

Title	Description	Version	Author / Owner
Risk assessment		1.0	Geraint Morgan

table of contents

1. Purpose 2
2. Objectives 2
3. Process overview 2

1. purpose

The first part of the business continuity process is to assess which parts of your business are essential to its critical functions, those that without which the business simply couldn't operate. This process is called business impact analysis.

Business impact analysis (BIA) is a fundamental part of the first phase of business continuity planning. It enables the organization to identify the time critical activities, and resources needed to support its key products and services, understand the threats to them and choose appropriate risk treatments.

2. objectives

The BIA is a defined and documented method for determining the impact of a disruption over a period of time on the activities that support the organisation's key products and services. It will:

- Identify activities that support its key products and services
- Identify impacts resulting from the disruption to these activities, and determine how these vary over time
- Establish the maximum tolerable period of disruption (MTPoD) for each activity by identifying
    - The maximum time period after the start of a disruption within which each activity needs to be resumed
    - The minimum level at which each activity needs to be performed upon resumption
    - The length of time within which normal levels of operation need to be resumed
- Categorise its activities according to their priority for recovery and identify its critical activities
- Identify all dependencies relevant to the critical activities, including suppliers and outsource partners
- Identify suppliers and outsource partners on whom critical activities depend and determine what BCM arrangements are in place for the relevant products and services they provide
- Set recovery time objectives (RTO) for the resumption of critical activities within their maximum tolerable period of disruption
- Estimate the resources that each critical activity will require for resumption.

3. process overview

For each function, establish how long your business can bear functioning with it at a reduced capacity and what level that is. You then need to assess what needs to be done to make sure it can function at minimum capacity.

Some Potential Critical Activities are listed below. These could then be split into sub activities such as different departmental staff or specific equipment or locations for service that are more critical than another as follows:

- staff
- service

- goods
- location
- clients
- suppliers
- equipment.

It may help if you grade them on a scale of 1-5 and list the effect of a disruption to the activity for differing time periods as well as the resource requirements for recovery. It may be useful to categorise them into the following groups:

- priority one function: essential function needing to be restored within 0- 24hrs
- priority two function: important function needing to be restored within 48hrs
- priority three function: function needing to be restored within 7 days
- priority four function: function needing to be restored after 7 days.

You may find that a previously underestimated activity has many interdependencies that mean it is a 'critical' function.

business impact analysis worksheet (operational & financial impacts)

department / function / process ……

timing / duration	operational impact	financial impact
MTPoD:	**RTO:**	
timing: Identify point in time when interruption would have greater impact (e.g. Season, end of the month, quarter etc.) **duration:** Identify the duration of the interruption or point in time when the operational and or financial impact(s) will occur. • <1 hour • >1 hour <8 hours • >8 hours <24 hours • >24 hours <72 hours • >72 hours • >1 week	**operational impacts:** • Lost sales and income • Increased expenses (e.g. overtime labour, outsourcing etc.) • Regulatory fines • Contractual penalties • Customer dissatisfaction • Delay in executing business plan or strategic initiative	**financial impact:** • Quantify operational impacts in financial terms.

• >1 month		

resource requirements for recovery

time	no. of staff	relocation?	resources required	data required
first 24 hours				
24 – 48 hours				
up to 1 week				
up to 2 weeks				