

PROFESSIONAL PRACTICES FOR BUSINESS CONTINUITY PLANNERS: BUSINESS IMPACT ANALYSIS

SUBJECT AREA 3: BUSINESS IMPACT ANALYSIS (BIA)

Identify the impacts resulting from disruptions and disaster scenarios that can affect the organization and techniques that can be used to quantify and qualify such impacts. Establish critical functions, their recovery priorities, and interdependencies so that recovery time objective(s) and recovery point objective(s) can be set.

A. The Professional's Role is to:

- 1. Identify Knowledgeable Functional Area Representatives** for the BIA process
- 2. Identify Organization Functions** including information and resource (people, technology, facilities, etc.)
- 3. Identify and Define Criticality Criteria**
- 4. Obtain Management Approval for Criteria Defined**
- 5. Coordinate Analysis**
- 6. Identify Interdependencies** (internal and external to the organization)
- 7. Define Recovery Objectives and Timeframes**
- 8. Define Report Format**
- 9. Prepare and Present Final BIA to Management**

B. The Professional Should Demonstrate a Working Knowledge in the Following Areas:

- 1. Establish the Project**
 - a. Identify and obtain a project sponsor for the BIA activity
 - b. Define objectives and scope for the BIA project
 - c. Choose an appropriate BIA project planning methodology/tool
 - d. Identify and inform participants of the BIA project and its purpose
 - e. Identify training requirements and establish a training schedule and undertake training as appropriate
 - f. Obtain agreement on final project time schedule and initiate the BIA project
- 2. Assess Effects of Disruptions, Loss Exposure, and Business Impact**
 - a. Effects of disruptions
 - (1) Loss of assets: key personnel, physical assets, information assets, intangible assets
 - (2) Disruption to the continuity of service and operations
 - (3) Violation of law/regulation
 - (4) Public perception

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- b. Impact of disruptions on business
 - (1) Financial
 - (2) Customers and suppliers
 - (3) Public relations/credibility
 - (4) Legal
 - (5) Regulatory requirements/considerations
 - (6) Environmental
 - (7) Operational
 - (8) Personnel
 - (9) Other resources
 - c. Determine Loss Exposure
 - (1) Quantitative
 - (a) Property loss
 - (b) Revenue loss
 - (c) Fines
 - (d) Cash flow
 - (e) Accounts receivable
 - (f) Accounts payable
 - (g) Legal liability
 - (h) Human resources
 - (i) Additional expenses/increased cost of working
 - (2) Qualitative
 - (a) Human resources
 - (b) Morale
 - (c) Confidence
 - (d) Legal
 - (e) Social and corporate image
 - (f) Financial community credibility
- 3. Business Impact Analysis (BIA)—A Suggested Methodology**
Understand Assessment Techniques: Quantitative and Qualitative Methods
- a. BIA data collection methodologies
 - (1) Finalize an appropriate data collection method (e.g., questionnaires, interviews, workshop, or an agreed combination)
 - (a) Data collection via questionnaires
 - (i) Understand the need for appropriate design and distribution of questionnaires, including explanation of purpose, to participating departmental managers and staff
 - (ii) Understand the role of and manage project kick-off meetings to distribute and explain the questionnaire
 - (iii) Understand the role of and support respondents during completion of questionnaires
 - (iv) Review completed questionnaires and identify those requiring follow-up interviews
 - (v) Conduct follow-up discussions when clarification and/or additional data is required
 - (b) Data collection via interviews only
 - (i) Understand the need for consistency, with the structure of each interview predefined and following a common format
 - (ii) Ensure the base data to be collected at each interview is predefined
 - (iii) Understand the need for initial interview to be reviewed and verified by the interviewee

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- (iv) Schedule follow-up interviews, if initial analysis shows a need to clarify and/or add to the data already provided
- (c) Data collection via a workshop
 - (i) Understand the need for and establish a clear agenda and set of objectives
 - (ii) Identify the appropriate level of participating management and obtain agreement
 - (iii) Choose appropriate venue, evaluating location, facilities, and staff availability
 - (iv) Act as facilitator and leader during discussions
 - (v) Ensure workshop objectives are met
 - (vi) Ensure all issues outstanding at the end of the workshop are identified and responsibility for their resolution agreed upon
- (2) Recommend and obtain agreement as to how potential financial and non-financial impact can be quantified and evaluated
- (3) Identify and obtain agreement on requirements for non-quantifiable impact information and gain agreement
- (4) Develop questionnaire (if used) and completion instructions
- (5) Determine data analysis methods (manual or computer)
- b. Business Impact Analysis (BIA) report
 - (1) Prepare draft BIA report containing initial impact findings and issues
 - (2) Issue draft report to participating managers and request feedback
 - (3) Review manager feedback and, where appropriate, revise findings accordingly or add to outstanding issues
 - (4) Schedule a workshop or meeting with participating manager(s) to discuss initial findings, when necessary
 - (5) Ensure original findings are updated to reflect changes arising from these meetings
 - (6) Prepare final BIA report according to organization
 - (7) Prepare and undertake formal presentation of BIA findings to peers and executive bodies

Note: No standards exist for the format or distribution of BIA reports, so these reports will vary between organizations.

4. Define Criticality of Business Functions and Records, and Prioritize

- a. Establish definition of criticality, and negotiate with management either single or multiple levels of criticality
- b. Identify and prioritize critical functions
 - (1) Business functions
 - (2) Support functions
- c. Identify and prioritize vital records to support business continuity and business restoration

5. Determine Recovery Timeframes and Minimum Resource Requirements

- a. Determine recovery windows for critical business functions based on level of criticality

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- b. Determine the order of recovery for critical business functions, and support functions and systems based on parallel and interdependent activities
- c. Determine minimum resource requirements for recovery and resumption of critical functions and support systems
 - (1) Internal and external resources
 - (2) Owned versus non-owned resources
 - (3) Existing resources and additional resources required

6. Identify and Prioritize Business Processes

- a. Interdependencies between the business processes
- b. Process and technology dependencies
 - (1) Intradepartment
 - (2) Interdepartment
 - (3) External relationships

7. Determine Replacement Times

- a. Equipment
- b. Key personnel
- c. Raw materials/subassemblies
- d. Other

8. Vital Records Management

- a. Identify vital records needs in the organization, including paper and electronic records.
- b. Evaluate existing backup and restoration procedures for vital records
- c. Advise on and implement feasible, cost-effective backup and restoration procedures for all forms of the organization's records.