

SUBJECT AREA 3 - BUSINESS IMPACT ANALYSIS

Identify the impacts resulting from business interruptions that can affect the organization and techniques that can be used to quantify and qualify such impacts. Identify time-critical functions, their recovery priorities, and inter-dependencies so that recovery time objectives can be established and approved.

A. THE PROFESSIONAL'S ROLE IS TO:

A. 1 Establish the Business Impact Analysis (BIA) Process and Methodology

A. 2 Plan and Coordinate Data Gathering and Analysis

A. 3 Prepare and Present the BIA Report to Management

B. THE PROFESSIONAL SHOULD DEMONSTRATE A WORKING KNOWLEDGE IN THE FOLLOWING AREAS:

B. 1 Establish the Business Impact Analysis Process and Methodology

B.1.a. Identify and obtain a sponsor for the Business Impact Analysis (BIA) activity

B.1 b. Define objectives and scope for the BIA process

B.1.c. Identify, define and obtain management approval for criticality criteria

- (i) Recommend and obtain agreement as to how potential financial and non-financial impact can be quantified and evaluated
- (ii) Identify and obtain agreement on requirements for non-quantifiable impact information
- (iii) Establish definition and criticality scale (e.g., high, medium, low)
- (iv) Negotiate with management for acceptance of criticality scale

B.1.d. Choose an appropriate BIA planning methodology/tool

- (i) Develop questionnaire and instructions as required
- (ii) Determine data analysis methods (manual or computer)

- (iii) Data collection via questionnaires
 - a. Understand the need for appropriate design and distribution of questionnaires, including explanation of purpose, to participating departmental managers and staff
 - b. Manage project kick-off meetings to distribute and explain the questionnaire
 - c. Support respondents during completion of questionnaires
 - d. Review completed questionnaires and identify those requiring follow-up interviews
 - e. Conduct follow-up discussions when clarification and/or additional data is required
- (iv) Data collection via interviews only

Provide consistency with the structure of each interview being predefined and following a common format

- Ensure the base information to be collected at each interview is predefined
- Enable each interviewee to review and verify all data gathered.
- Schedule follow-up interviews, if initial analysis shows a need to clarify and/or add to the data already provided

- (v) Data collection via workshop
 - a. Set a clear agenda and set of objectives
 - b. Identify the appropriate level of workshop participants and obtain agreement from management
 - c. Choose appropriate venue, evaluating location, facilities, and participant availability
 - d. Facilitate and lead the workshop
 - e. Ensure workshop objectives are met
 - f. Ensure all outstanding issues at the end of the workshop are identified and appropriate follow up conducted

B.1.e. Determine report format, content and obtain management approval for next steps.

B.1.f. Obtain agreement from management on final time schedule and initiate the BIA process

B. 2 Plan and Coordinate Data Gathering and Analysis

B.2.a. Identify all Organization Functions

- (i) Collect and review existing organizational charts
- (ii) Working with the BIA sponsor to identify the major areas of the organisation

B.2.b. Identify and Train Knowledgeable Functional Management Representatives

- (i) Working with the BIA sponsor to identify specific individuals to represent the major areas of the organisation
- (ii) Identify functional management team members to participate in the collection process
- (iii) Inform the selected individuals of the BIA process and its purpose
- (iv) Identify training requirements and establish a training schedule and undertake training as appropriate

B.2.c. Assess Effects of Disruptions, Business Impact and Loss Exposure

- (i) Effects of disruptions
 - a. Loss of key personnel and assets (physical, informational, financial and intangible)
 - b. Disruption to the continuity of service and operations
 - c. Violation of law/regulation
 - d. Public perception
- (ii) Business Impact
 - a. Financial
 - b. Customers and suppliers
 - c. Public relations/credibility/reputation
 - d. Legal

e. Regulatory requirements/considerations

f. Environmental

g. Operational

h. Personnel

i. Other resources

(iii) Loss Exposure

a. Quantitative

- Property loss
- Revenue loss
- Fines
- Cash flow
- Accounts receivable
- Accounts payable
- Legal liability
- Human resources
- Additional expenses/increased cost of working

b. Qualitative

- Human resources
- Morale
- Stakeholder confidence
- Legal
- Social and corporate image
- Financial community credibility

B.2.d. Determine Recovery Objectives and Minimum Resource Requirements

- (i) Determine recovery objectives for core and support business functions based on level of criticality.
- (ii) Determine the prioritization of Business Processes
 - a. Determine the order of recovery for core and support business functions and systems based on parallel and interdependent activities.
 - b. Interdependencies between the business and technology processes and technology.
 - Intradepartmental
 - Interdepartmental

- External relationships

- (iii) Determine minimum resource requirements for resumption and recovery of core and support business functions.
 - a. Internal and external resources
 - b. Owned versus non-owned resources
 - c. Existing resources and additional resources required

B.2.e. Evaluate Replacement Times and Costs

- (i) Key personnel
- (ii) Equipment
- (iii) Data
- (iv) Raw materials
- (vi) Other

B.2.f. Vital Records Management

- (i) Identify vital records in the organization, including paper and electronic, and establish when records will be needed during recovery.
- (ii) Evaluate existing backup and restoration procedures to ensure they are adequate to protect vital records.
- (iii) Advise on and implement feasible, cost-effective backup and restoration procedures for vital records.
- (iv) Establish guidelines and procedures to ensure the current version of the vital records is available and outdated backups are deleted/destroyed in an appropriate manner.

B. 3 Prepare and Present the BIA Report to Management

B.3.a. Prepare Business Impact Analysis report

- (i) Prepare draft BIA report using initial impact findings and issues, as outlined in Sections B.1.d. and B.1.e.
- (ii) Provide a statement of organizational goals and objectives

- (iii) Summarize impacts of those goals and objectives as a result of a disruption
- (iv) Provide a summary of resource requirements over time to recover and resume operations
- (v) Issue draft report to participating functional management representatives and request feedback
- (vi) Review functional management representative feedback and, where appropriate, revise findings accordingly, or add to outstanding issues
- (vii) Schedule a workshop or meeting with participating functional management representatives to discuss initial findings, when necessary
- (viii) Ensure that initial findings are updated, as necessary, to reflect changes arising from these meetings
- (ix) Prepare final Business Impact Analysis report

B.3.b. Present Business Impact Analysis report

- (i) Prepare and submit formal presentation of Business Impact Analysis findings to senior management.
- (ii) Obtain support from the Business Continuity Management sponsor for the Business Impact Analysis report and approval to move on to the Risk Evaluation phase of the Business Continuity Management process.