Business Impact Analysis

Business Continuity

What is a Business Impact Analysis?

Business Impact Analysis

- Business Impact Analysis is a precursor to business continuity planning and acts as a **solid foundation**.
- Affords identification of **window of recovery**, resources that need to be recovered and mission critical activities.
- Benchmark of the **quantitive** and **qualitative** losses that act as justification for contingency plans.
- Understand the **dependencies** between business processes and infrastructures.

Timing

Business Impact Analysis

- Business Impact Analysis is a **precursor** to business continuity planning, but is not the motivation for it.
- The management team should already be **committed** to business continuity planning, rather than waiting for surprises from Business Impact Analysis to spur motivation.

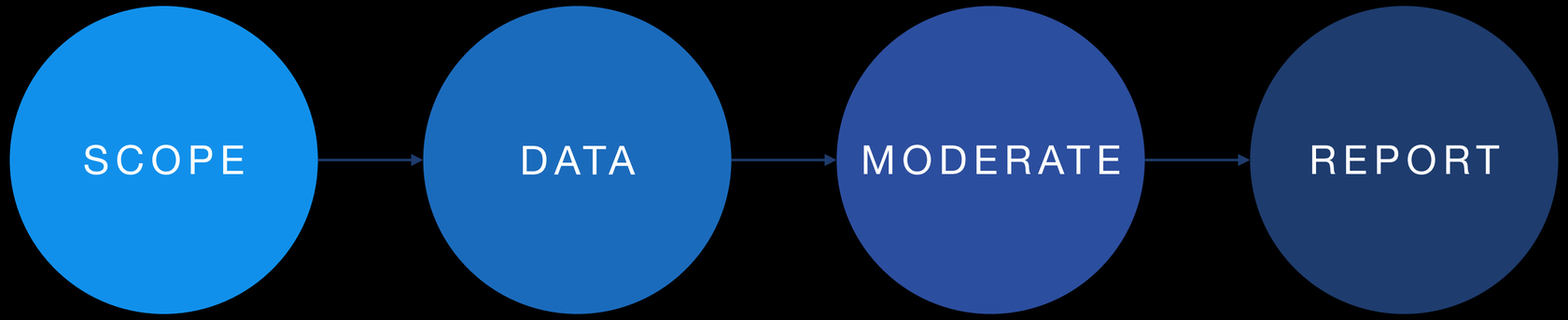
Purpose

Business Impact Analysis

- Determine the **qualitative** and **quantitive** impact and loss from possible incidents.
- Understand the **tolerance** of business processes, in terms of resources, to possible incidents.
- Determine the resources required to **protect** and/or **recover** a process to optimal or tolerable levels.
- Focus of the analysis is to understand the **impact**, not the threat itself.

Process

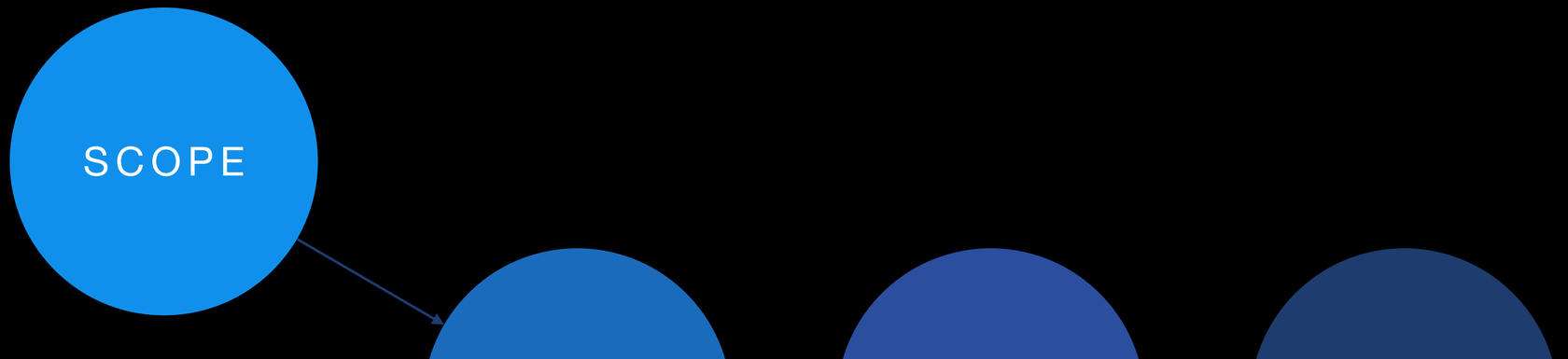
Business Impact Analysis



Scope

Business Impact Analysis Process

- Determine the **scope** of the business impact analysis and understand the limits.
- Focus could be the **entire** enterprise or **specific** business units. Possible to utilise one of the business units as a **pilot** for the process itself.



Scope

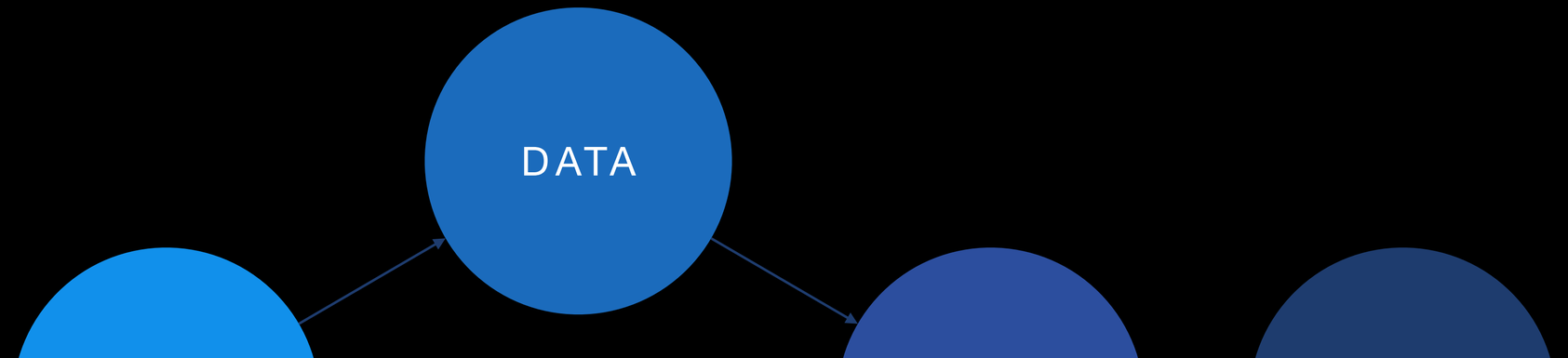
Business Impact Analysis Process

- Understand the **period of disruption** from potential disasters.
- Small businesses may view it as the time frame it takes to replace the **entire function** of the business. Enterprises will want to consider the impact of failure of business units on the **larger system**.
- Service economy in the UK, consider the example of providing an **alternative call centre** within cities such as Glasgow vs Perth.

Data collection

Business Impact Analysis Process

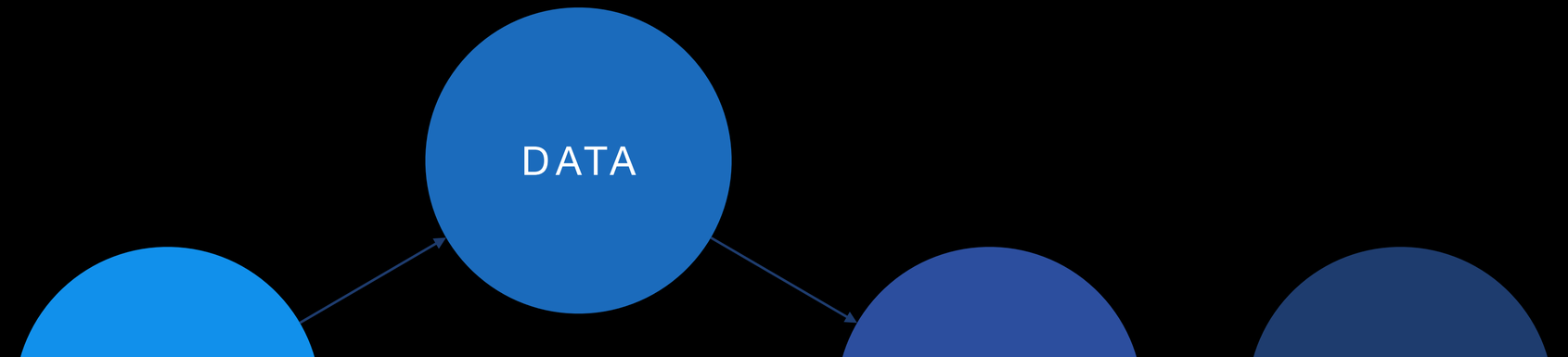
- Enterprises and employees most likely consider every **process** and step as imperative. Understand the processes that happen will become **critical** within our planning horizon.
- These **critical processes within our planning horizon** need to be throughly considered with other processes left out of the scope.
- Develop an approach to **communicate effectively** to all employees to ensure no one is disgruntled from being considered non-critical.



Data collection

Business Impact Analysis Process

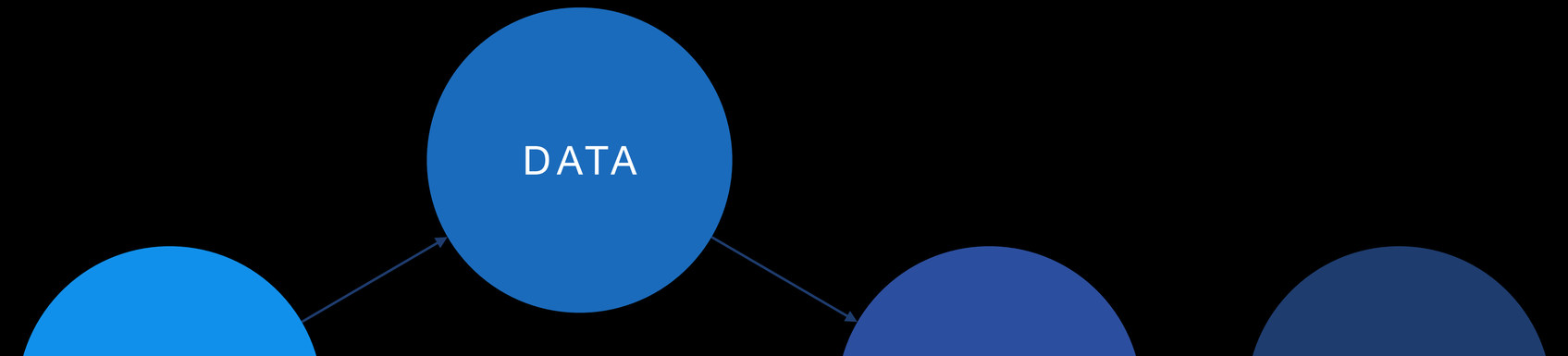
- Business processes considered not as imperative as others, could be **prioritised** to be performed at all costs.
- Concerns of market participation, an organisation may view any disruption as incredibly harmful.
- Processes that ensure **compliance** and responsibilities could be become prime focus.



Data collection - Critical processes

Business Impact Analysis Process

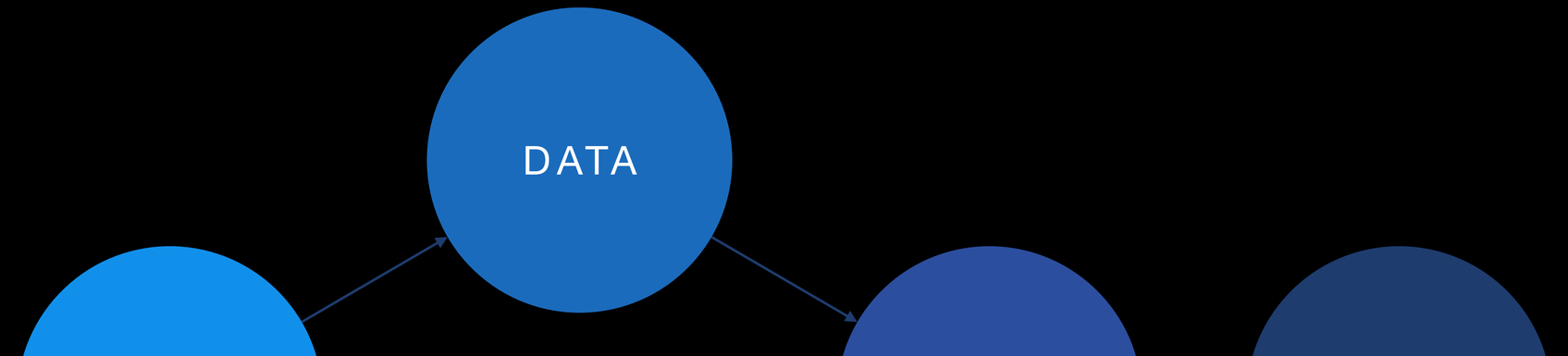
- **Prioritised business processes** may be conducted during a period of disruption, but secondary processes will continue to represent a backlog.
- **Backlog of processes** could represent another challenge in terms of continuity.
- Critical processes may be **dependent on secondary** processes and tasks.



Data collection - Time

Business Impact Analysis Process

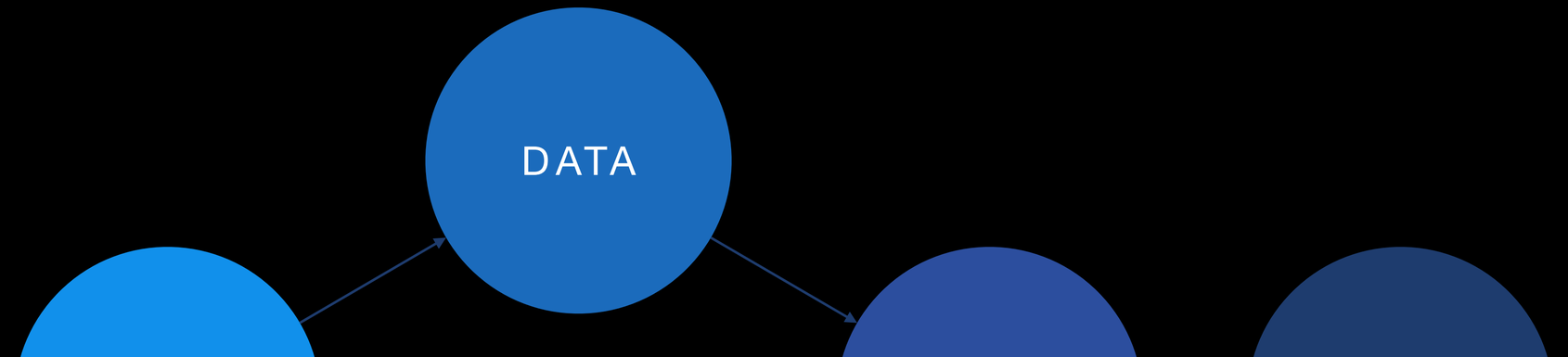
- **Recovery time objective** (RTO) is the period of time from failure to recovery before business units are considerably impaired.
- **Maximum tolerable period of downtime** (MTPOD) is the period of time from failure to recovery before an enterprise is enduringly damaged.
- Benchmarking with these periods is valuable when discussing, e.g. manager states they have 30-minute MTPOD for a critical process.



Data collection - Time

Business Impact Analysis Process

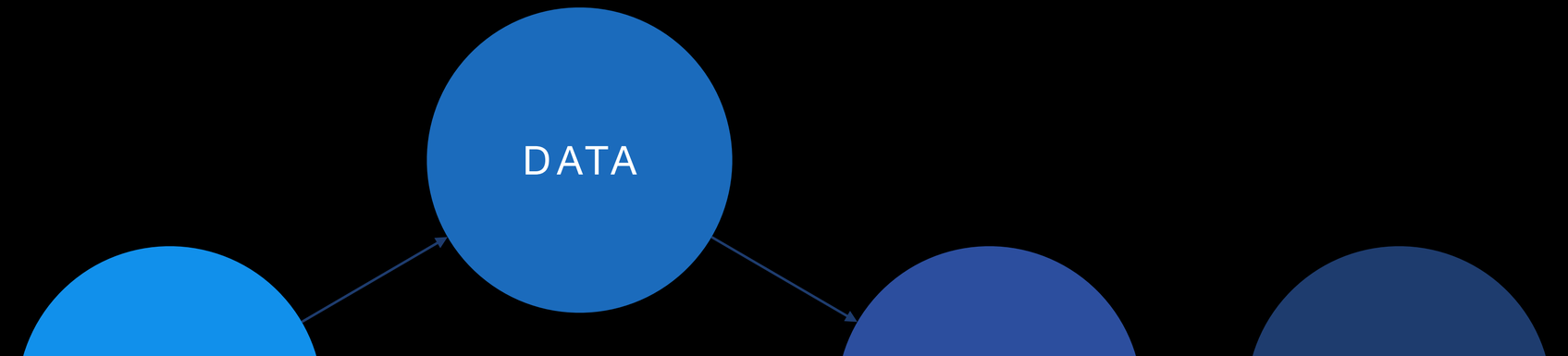
- **Recovery point objective** (RPO) is the period of time of permitted loss.
- Recovering business processes may require a reasonable window of information and data loss.
- Current maintenance process should necessarily inform the creation of the RPO. Consider preparation time for recording recovery data as this may be expensive.



Data collection - Calendar

Business Impact Analysis Process

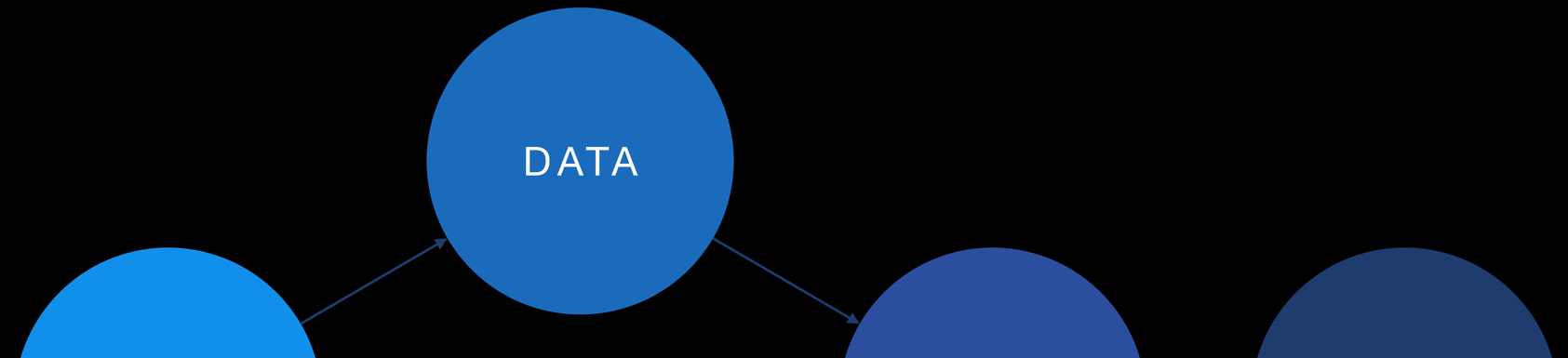
- Understand the calendar itself, in terms of when processes occur. Business processes could occur and complete continuously.
- Business processes may occur within specific cycles, e.g. consider computer manufactures and back-to-school shopping season and habits.



Data collection - Dependencies

Business Impact Analysis Process

- Prioritising business processes is expected to ensure energies are focused on critical areas. Critical business processes could rely on non-critical business processes.
- Co- and prerequisite business processes of this nature must be considered to ensure proper recovery.
- Critical processes could be impaired during recovery due outputs from lesser processes not being considered.



Understanding RTO, RPO and MTPOD

Business Impact Analysis

Understanding RTO, RPO and MTPOD

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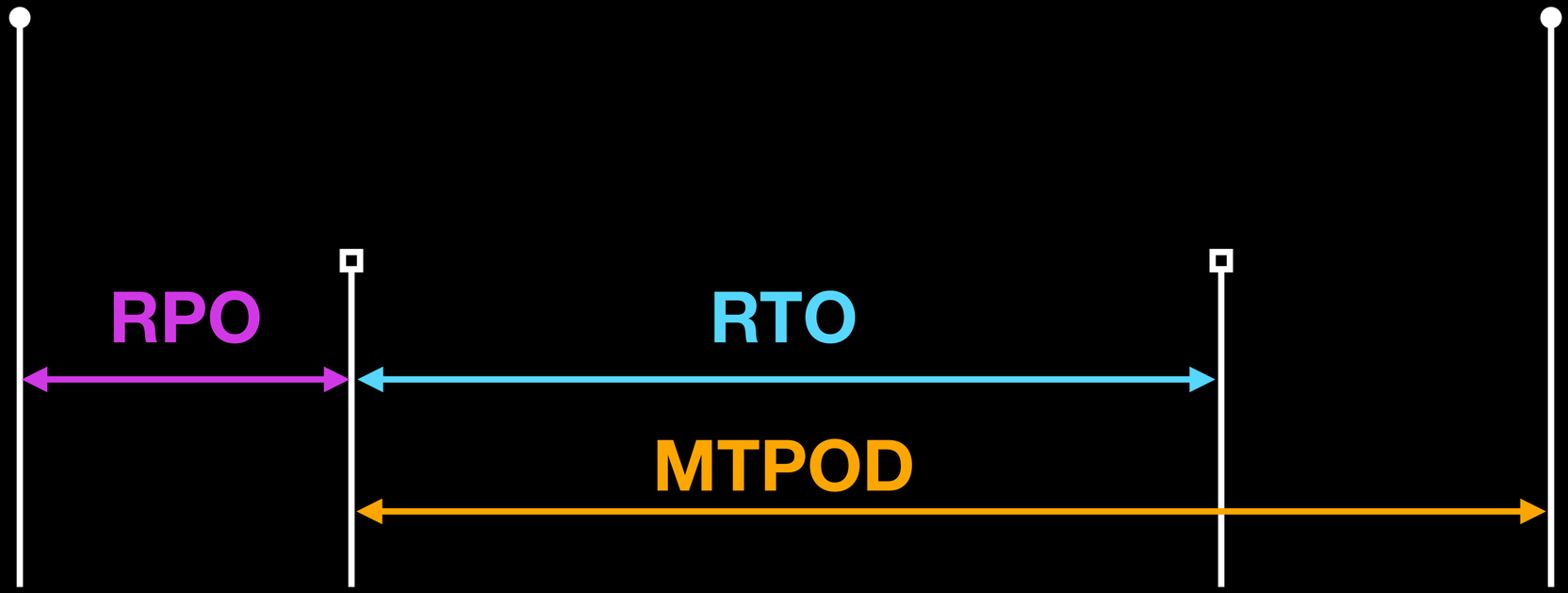
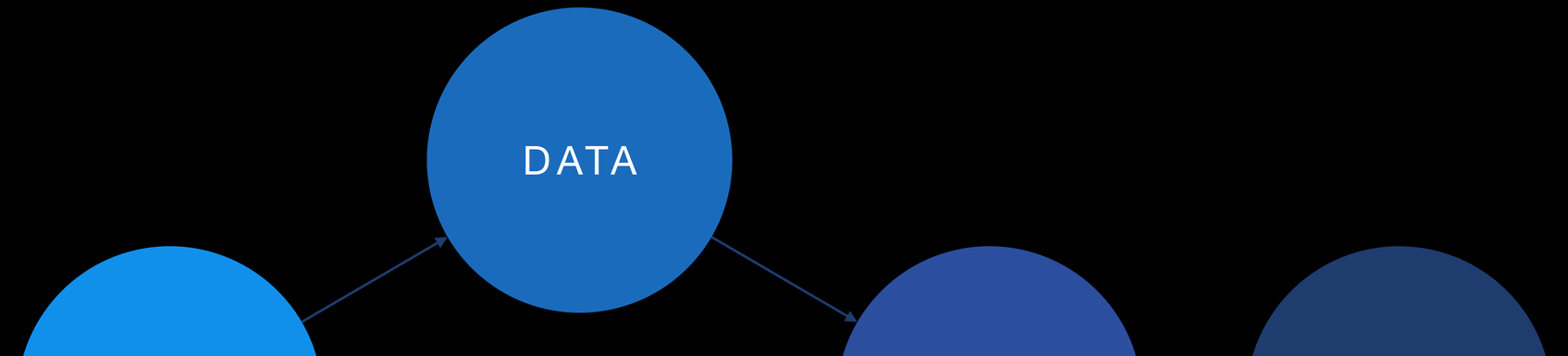


Data collection - Resource requirements

Business Impact Analysis Process

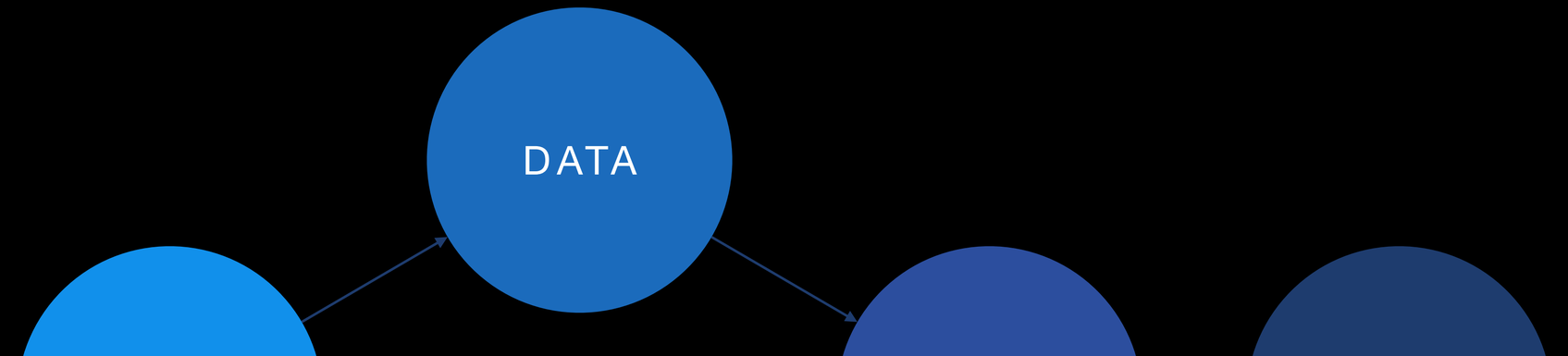
- Understand the resource requirements to support critical business processes.
- Emphasis is lean critical processes that can function in terms of business continuity. Duplicate processes can be incredibly expense and need considerable justification.
- Short-term lean process may still be expensive, e.g. scaling up staff numbers to manual implementation of process.



Data collection - Equipment facilities

Business Impact Analysis Process

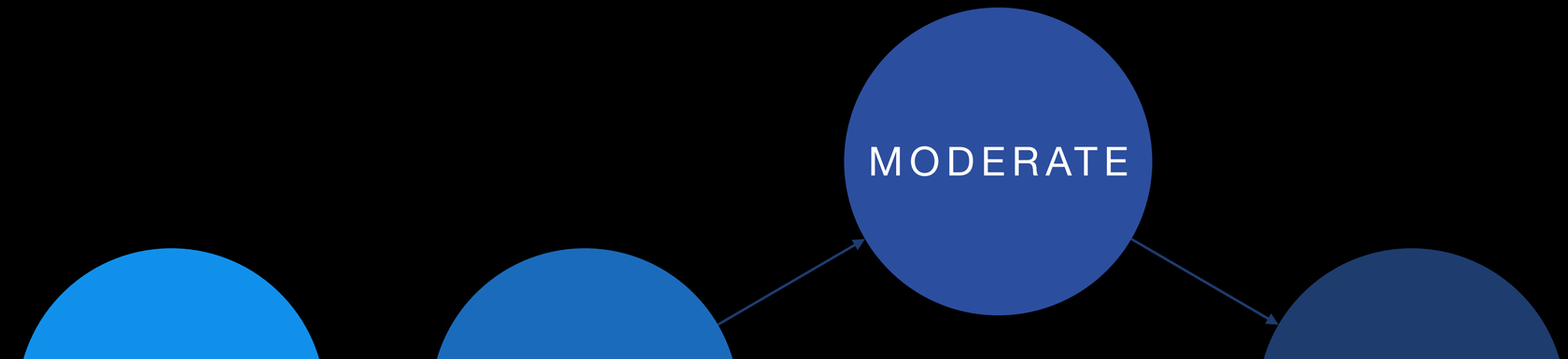
- Requirements in terms of generic facilities, in terms of hardware, software, offices as well as utilities.
- Special facility requirements that include specialist and potentially bespoke equipment.
- Emphasis should be placed on lean, minimal resources to support critical processes. Complexities that can be introduced by maintaining such facilities.



Moderation

Business Impact Analysis Process

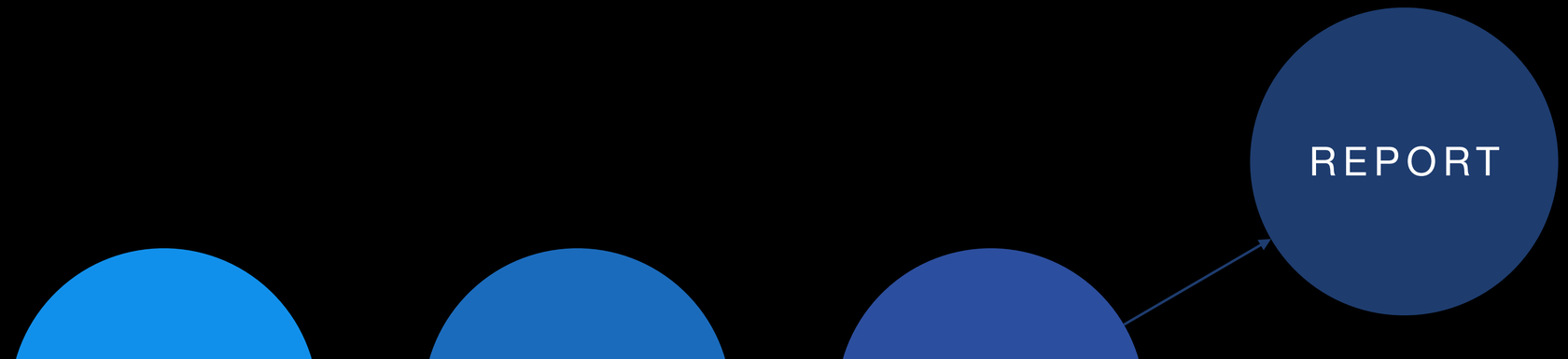
- Information gathered needs to be **considered and analysed**. Determine **validity** of claims made by various business units in terms of operational requirements.
- Understand any **gap** between operational necessities and actual continuity capability. Remember the outcome is an acceptable recommendation, need to have confidence that **appetite exists to address continuity requirements**.
- **Peer-review** with panel to identify any potential questions or areas of improvement before reporting to management.



Report

Business Impact Analysis Process

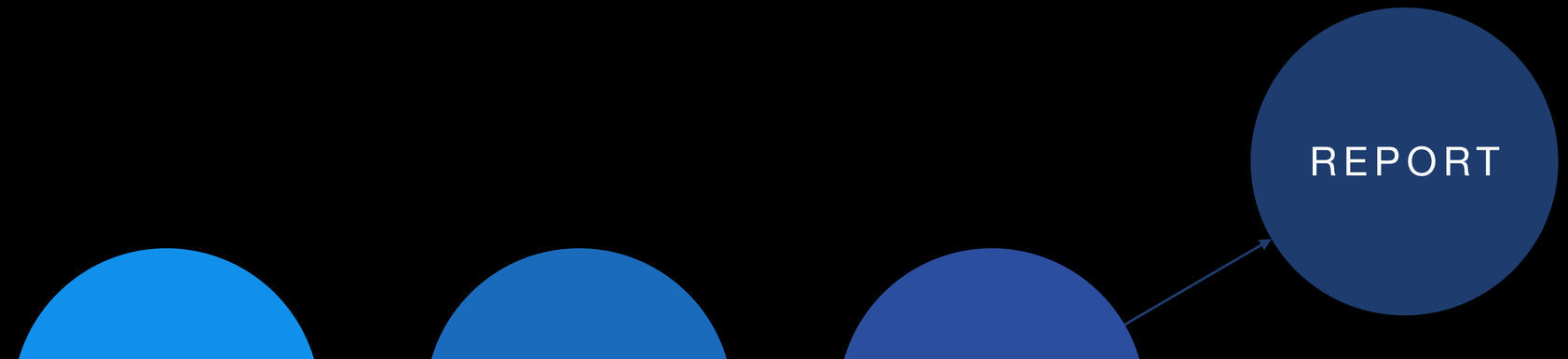
- Output from the business impact analysis is a statement of **operational requirements**.
- The report itself acts as **evidence** for future demonstration of compliance and audits.
- Formal and adopt a scientific approach, supporting reproducibility. Report is not strategy.



Review

Business Impact Analysis Process

- Business Impact Analysis should be reviewed at least annually or after any major enterprise changes.
- Annual review may be unrealistic for many enterprises and unnecessary. Failure to properly review may result in poor recovery planning.
- Tolerances acceptance once may no longer be acceptable and legacy backup procedures may be incompatible with current systems.



Process

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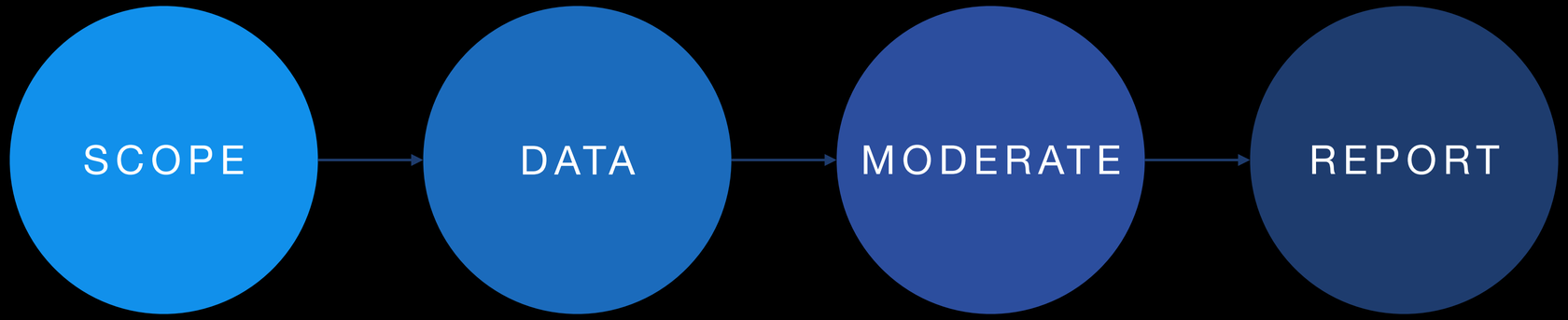

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