**BIA-**Also considered a functional analysis

Identifies the resources that are critical to the organization, the threats posed to the resources, Assess the likelihood that each threat will occur and the impact of those threats. The result helps in prioritizing the commitment of Business continuity resources to various risk exposures

1st step in BIA is to identify the business priorities. It involves creating a comprehensive list of business process and ranking them in order of importance. This is a qualitative process; to begin quantitative assessment, assign AV in monetary terms to each asset.

Develop the Maximum Tolerable Downtime (MTD). Maximum time the business can be inoperable without causing irrecoverable damage to the business. Develop the Recovery Time Objective (RTO) Amount of time by which the business function can be recovered

**RTO must be less than MTD**

The risk identification portion of the process is purely Qualitative.

Sybex book

Planning for Business Continuity

BCP focuses on maintaining business operations with reduced or restricted infrastructure capabilities or resources. As long as the continuity of the organization’s ability to perform its mission-critical work tasks is maintained, BCP can be used to manage and restore the environment. If the continuity is broken, then business processes have stopped and the organization is in disaster mode; thus, disaster recovery planning (DRP) takes over.

**The top priority of BCP and DRP is always people. The primary concern is to get people out of harm’s way; then you can address IT recovery and restoration issues**.

You should understand the distinction between business continuity planning and disaster recovery planning. One easy way to remember the difference is that BCP comes first, and if the BCP efforts fail, DRP steps in to fill the gap.

4 main process steps for BCP

1. Project scope and planning
2. Business impact assessment
3. Continuity planning
4. Approval and implementation

**Project scope & planning – structed analysis from crisis point of view, creation of BCP team with approval from senior management, Resource availability assessment &legal &regulatory requirement analysis**

The BCP team should include at the minimum the following representatives. Representatives from each of the organizational departments. Representatives from key support departments, IT representatives with technical expertise. Security representatives with knowledge of BCP, Legal representatives, Senior Management representatives

**Human capital is the most significant resources consumed during a BCP process**

Normally, the business organization analysis is performed by the individuals spearheading the BCP **effort. When developing a business continuity plan, be sure to account for both your headquarters location as well as any branch offices. The plan should account for a disaster that occurs at any location where your organization conducts its business**

**Resource Requirements**

**BCP Development** The BCP team will require some resources to perform the four elements of the BCP process (project scope and planning, business impact assessment, continuity planning, and approval and implementation). It’s more than likely that the major resource consumed by this BCP phase will be effort expended by members of the BCP team and the support staff they call on to assist in the development of the plan.

**BCP Testing, Training, and Maintenance** The testing, training, and maintenance phases of BCP will require some hardware and software commitments, but once again, the major commitment in this phase will be effort on the part of the employees involved in those activities.

**BCP Implementation** When a disaster strikes and the BCP team deems it necessary to conduct a full-scale implementation of the business continuity plan, this implementation will require significant resources. This includes a large amount of effort (BCP will likely become the focus of a large part, if not all, of the organization) and the utilization of hard resources. For this reason, it’s important that the team uses its BCP implementation powers judiciously yet decisively.

**Legal and Regulatory Requirements**

Business Impact Assessment

The business impact assessment (BIA) .The BIA identifies the resources that are critical to an organization’s ongoing viability and the threats posed to those resources. It also assesses the likelihood that each threat will actually occur and the impact those occurrences will have on the business. The results of the BIA provide you with quantitative measures that can help you prioritize the commitment of business continuity resources to the various local, regional, and global risk exposures facing your organization.

**Quantitative Decision Making** Quantitative decision making involves the use of numbers and formulas to reach a decision. This type of data often expresses options in terms of the dollar value to the business.

**Qualitative Decision Making** Qualitative decision making takes non-numerical factors, such as emotions, investor/customer confidence, workforce stability, and other concerns, into account. This type of data often results in categories of prioritization (such as high, medium, and low).

**Identify Priorities**

**To begin the quantitative assessment, the BCP team should sit down and draw up a list of organization assets and then assign an asset value (AV) in monetary terms to each asset. These numbers will be used in the remaining BIA steps to develop a financially based BIA.**

**The second quantitative measure that the team must develop is the maximum tolerable downtime (MTD), sometimes also known as maximum tolerable outage (MTO). The MTD is the maximum length of time a business function can be inoperable without causing irreparable harm to the business. The MTD provides valuable information when you’re**

**performing both BCP and DRP planning.**

**This leads to another metric, the recovery time objective (RTO) , for each business function. This is the amount of time in which you think you can feasibly recover the function in the event of a disruption. Once you have defined your recovery objectives, you can design and plan the procedures necessary to accomplish the recovery tasks.**

**The goal of the BCP process is to ensure that your RTOs are less than your MTDs, resulting in a situation in which a function should never be unavailable beyond the maximum tolerable downtime.**

**Risk Identification- list out the threads.**

**Likelihood Assessment**

**the next phase of the business impact assessment identifies the likelihood that each risk will occur. To keep calculations consistent, this assessment is usually expressed in terms of an annualized rate of occurrence (ARO) that reflects the number of times a business expects to experience a given disaster each year.** **The BCP team should sit down and determine an ARO for each risk identified in the previous section. These numbers should be based on corporate history, professional experience of team members, and advice from experts, such as meteorologists, seismologists, fi re prevention professionals, and other consultants, as needed.**

**Impact Assessment**

It covers EF, SLE, ALE. From qualitative point of view, repudiation, negative publicity

**Resource Prioritization**

**The final step of the BIA is to prioritize the allocation of business continuity resources to the various risks that you identified and assessed in the preceding tasks of the BIA.**

**Use quantitative and qualitative approach to finalize it.**

Continuity Planning

The first two phases of the BCP process (project scope and planning and the business impact assessment) focus on determining how the BCP process will work and prioritizing the business assets that must be protected against interruption. The next phase of BCP development, continuity planning, focuses on developing and implementing a continuity strategy to minimize the impact realized risks might have on protected assets. In this section, you’ll learn about the subtasks involved in continuity planning:

■ Strategy development

■ Provisions and processes

■ Plan approval

■ Plan implementation ■ Training and education

**Strategy Development**

The BCP team should look back to the MTD estimates created during the early stages of the BIA and determine which risks are deemed acceptable and which must be mitigated by BCP continuity provisions

**Provisions and Processes**

The provisions and processes phase of continuity planning is the meat of the entire business continuity plan. In this task, the BCP team designs the specific procedures and mechanisms that will mitigate the risks deemed unacceptable during the strategy development stage.

**Plan Approval**

Once the BCP team completes the design phase of the BCP document, it’s time to gain top-level management endorsement of the plan.

**Plan Implementation**

Once you’ve received approval from senior management, it’s time to dive in and start implementing your plan.

**Training and Education**

Training and education are essential elements of the BCP implementation.

BCP Documentation

**Continuity Planning Goals**

First, the plan should describe the goals of continuity planning as set forth by the BCP team and senior management

**Statement of Importance**

The statement of importance reflects the criticality of the BCP to the organization’s continued viability.

**Statement of Priorities**

The statement of priorities flows directly from the identify priorities phase of the business impact assessment. It simply involves listing the functions considered critical to continued business operations in a prioritized order.

**Statement of Organizational Responsibility**

The statement of organizational responsibility also comes from a senior-level executive and can be incorporated into the same letter as the statement of importance.

**Statement of Urgency and Timing**

The statement of urgency and timing expresses the criticality of implementing the BCP and outlines the implementation timetable decided on by the BCP team and agreed to by upper management. The wording of this statement will depend on the actual urgency assigned to the BCP process by the organization’s leadership.

**Risk Assessment**

**Risk Acceptance/Mitigation**

**Vital Records Program**

The BCP documentation should also outline a vital records program for the organization. This document states where critical business records will be stored and the procedures for making and storing backup copies of those records

**Emergency-Response Guidelines**

**Maintenance**

The BCP documentation and the plan itself must be living documents. Every organization encounters nearly constant change, and this dynamic nature ensures that the business’s continuity requirements will also evolve..

**Testing and Exercises**

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