



B.I.A.

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Business impact analysis (BIA) definition

- ❖ Business impact analysis (BIA) is a systematic process to determine and evaluate the potential effects of an interruption to critical business operations as a result of a disaster, accident or emergency.
- ❖ A BIA is an essential component of an organization's business crisis plan; it includes an exploratory component to reveal any vulnerabilities and a planning component to develop strategies for minimizing risk.
- ❖ The result is a business impact analysis report, which describes the potential risks specific to the organization studied.

The role of BIA in crisis recovery planning

- ❖ As part of a crisis recovery plan, a BIA is likely to identify costs linked to failures, such as loss of cash flow, replacement of equipment, loss of profits, staff and data,.....
- ❖ BIA report quantifies the importance of business components and suggests appropriate fund allocation for measures to protect them. The possibilities of failures are likely to be assessed in terms of their impacts in areas such as safety, finances, marketing, business reputation, legal compliance and quality assurance.
- ❖ Where possible, impact is expressed monetarily for purposes of comparison. The BIA should assess a disaster's impact over time and help to establish recovery strategies, priorities, and requirements for resources.

BIA vs. risk assessment

- ❖ Business impact analysis and risk assessment are two important steps in a business continuity plan. A BIA often takes place prior to a risk assessment. The BIA focuses on the effects or consequences of the interruption to critical business functions and attempts to quantify the financial and non-financial costs associated with a disaster. The BIA looks at the parts of the organization that are most crucial. A BIA can serve as a starting point for a crisis recovery strategy and resources and materials needed for business continuance.
- ❖ A risk assessment identifies potential hazards such as a hurricane, earthquake, fire, supplier failure, and evaluates areas of vulnerability should the hazard occurs. Assets put at risk include people, property, supply chain, information technology, business reputation and contract obligations.

How to conduct a BIA

generally a multi-phase process that includes the following steps:

- Identify critical business processes
- Gathering information from: function, processes
- Determine time critical applications systems, data, and telcom
- Determine required availability time (s) for functional departments
- Determine interdependencies between processes
- Determine recovery resource requirements
- Evaluating the collected information
- The processes or functions performed by an organization
- The resources required to support each process performed
- Interdependencies between processes and/or departments
- The impact of failing to performing a process
- The criticality of each process
 - Preparing a report to document the findings
 - Presenting the results to senior management.

Analyzing the results of a BIA

- ❖ A detailed questionnaire or survey is commonly developed to identify critical business processes, resources, relationships and other information that will be essential in assessing the potential impact of a disruptive event.
- ❖ The goals of the BIA analysis phase are to determine the most crucial business functions and systems, the staff and technology resources needed for operations to run optimally, and the time frame within which the functions need to be recovered for the organization to restore operations as close as possible to a normal working state. The analysis may be manual or computer-assisted.

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THANK YOU