

Business Impact Analysis:

BIA offers a wide range of benefits for all employees. In addition, BIA facilitates the personal development of employees, supports further education and training and offers a variety of other benefits. Below is a list of the wide range of employee benefits offered by BIA. Type and scope of the offered benefit vary from site to site.

Business Impact Analysis is,

A business impact analysis (BIA) predicts the consequences of disruption of a business function and process and gathers information needed to develop recovery strategies. Potential loss scenarios should be identified during a risk assessment. Why a Business Impact Analysis is Important. As you may know, Business Impact Analysis (BIA) is a tool used by senior management to analyze business functions and assess the risks of disasters on an organization. If performed before a crisis, a BIA will help support a smoother recovery should the unexpected event occur.

Benefits of a Business Impact Analysis:

- **Recovery Procedures** - The BCP should include recovery procedures for all the systems listed (or at least your highest impact items) in your BIA. If this isn't the case, start with your highest overall impact assets and work your way down. Use the prioritization of the BIA to provide clarity on where you can improve the BCP
- **Order of Recovery** - The worst scenario in a disaster is where everyone working on their own thing with no real direction, specifically IT staff. In a true recovery situation, you want a predefined list of what is most important, so everyone is on the same page. The BIA accomplishes that for you. Because the BIA is set by management you can use the prioritized Overall Impact ranking to document an "Order of Recovery" list in your BCP. Communicate this list to IT staff and contractors to be very clear on how important this list is. Make sure they understand that they shouldn't be working on #17 until 1-16 are complete (or close).
- **Prioritizes your BCP Testing** - The BIA should be the starting point for what areas you'll be testing in your BCP. One idea might be to test critical assets annually, and high assets every 18 months.

- **Helps Measure BCP Testing Effectiveness** - The Business Impact Analysis also provides the measuring stick with which to evaluate BCP testing effectiveness. You can do this by comparing test recovery times to the maximum tolerable downtime established in the BIA. If your test recovery takes longer than the MTD, then you need to re-evaluate and make improvements to your BCP.
- **A Rational Approach to your Backup Rotation** - Do your backups achieve the desired recovery point objective? The BIA can be the go to for IT staff to set backup schedules and rotations.

A **Business Impact Analysis (BIA)** is a **methodology** use to determine the effect of an interruption of services on each Department within the College and then the total **impact** on the Loyola College organization as a whole. The **analysis** provides valuable information on the short- and long-term effects of a disaster.

Methodological steps for developing a business impact analysis

The BIA “analyses the financial and operational impact of disruptive events on the business areas and processes of an organization” (Alexander, 2009). It is very important to be conceptually clear about this statement. The financial impact refers to monetary losses such as lost sales, lost funding and lost revenue. The operational impact represents non-monetary losses related to business operations and usually includes loss of competitiveness, poor customer service and damage to business reputation.

It is also crucial to understand that the findings of the BIA “enable an organization to determine the extent of the overall effort to recover from potential business disruption, and details the roadmap for developing the business continuity strategy and the incident management plan (IMP)” (Alexander, 2009). The BIA allows the organization to identify the critical processes of business and its continuity requirements, which become the main issues for the development of an IMP. “One of the fundamental aspects when developing a BIA is that it can help to determine whether or not the existing business continuity strategy addresses the recovery requirements” .

A brief description of the steps follows:

1) Define the boundaries of the BIA: the starting point prior to the development of the BIA is the identification of the scope of the BCMS within the organization. Strategically, top management should have identified the scope, considering the products and services of the organization. Several key criteria could be considered to decide the products and services of the organization that need to be protected to assure continuity; including: a) market pressure, b) specific company sites, c) products and services profitability. Once the scope has been established, it is strategically recommended that its boundaries are outlined and precisely defined in terms of with what activity they initiate and with which one they terminate.

2) Identify activities that support the scope: an activity is considered a process or set of processes undertaken by an organization (or on its behalf) that produces or supports one or more products or services. When the scope of the BCMS is delimited, the organization should identify all the activities involved in the scope that directly contribute to the generation of its products and services. A good tool that helps in this step is a flowchart.

3) Assess Financial and operational impacts: the third step is to assess the financial and operational impacts that would affect the organization in the event of a disruption of the activities identified in the preceding step. The financial impact assessment is performed before carrying out the operational impact assessment.

The financial impact assessment: this measures the extent and severity of the organization's financial losses. A financial impact assessment is carried out for each activity. The question to be asked is "What would the magnitude and severity of financial loss be if the activities were interrupted following a disruption?" The losses are estimated on a daily basis. Figure two offers an example of financial losses for a specific scope.