

# **Business Impact Analysis**

# **EXAMPLE**

# BUSINESS IMPACT ANALYSIS

## Introduction

The Business Impact Analysis (BIA) is a fundamental activity within any Business Continuity programme. Before developing Business Continuity Plans and strategies, it is important to fully understand the organisation, and therefore what needs to be protected and where recovery efforts need to be placed.

## Objectives

The objectives of the BIA are to fully understand the organisation; this is done by:

- Identifying the most important functions / departments / services from across the organisation.
- Identifying the different activities and processes that make up the above functions / departments / services.
- Identifying the critical resources / dependencies for each of the above activities and processes.
- Assessing the impacts if the activities / processes and resources / dependencies are disrupted.
- Determining how quickly these need to be recovered to minimise the impact on the organisation.

## How to complete a BIA

It is important to interview Function / Department Leads or individuals who understand the different activities and resources used to complete the critical activities and processes.

It is good to aim for between 5 – 8 activities (if they exist), for each of the different functions / departments.

The template below will serve as a useful tool to structure a BIA (including interview questions and what information to include within the template).

The function / department leads should sign off the output to ensure it reflects their priorities.

## How often to update the BIA

The BIA should be updated and reviewed every year, or whenever there is significant change to parts of the organisation.

## Principles to follow for the BIA

The principles for the BIA are:

- Includes the views and opinions of function / department leads.
- Is concise and easy to assess and understand.
- Serves as an effective tool to help create the Business Continuity Plans.
- Provides clarity on the priorities across the organisation.
- The critical resources / dependencies include people, premises, technology, data and third parties.
- Identifies known risks and vulnerabilities.

## What to do after the BIA is complete

- Consolidate all the BIAs to get an overall view of the priority functions, activities and resources.
- Develop Business Continuity Plans to ensure you can recover the critical activities and resources.
- Share the technology and data dependencies with IT so they can build resilience across the systems.
- Escalate risks and vulnerabilities if it is clear that recovery strategies and capability cannot meet the recovery objectives.

**Business Impact Analysis:**

|                                 |                             |                                     |                              |
|---------------------------------|-----------------------------|-------------------------------------|------------------------------|
| <b>[insert department name]</b> | <b>[date of completion]</b> | <b>[function / department lead]</b> | <b>[date of next update]</b> |
|---------------------------------|-----------------------------|-------------------------------------|------------------------------|

| Activities         | Description             | Impact if disrupted*  | Recovery Time Objective  | Critical dependencies                              |   |   |  | Known risks / vulnerabilities   |
|--------------------|-------------------------|---|--|--|---|---|--|---|
|                    |                         |   |  | People   | Premises  | Technology and data   | Third parties  |   |
| [Name of activity] | [Describe the activity] | [What is the impact if the activity is disrupted? e.g. Finance, Legal, Operations, Customers, Reputation] – {low, medium or high} | [How quickly does the activity need to be recovered to minimise the impact on the business?] | [Which roles are needed to complete the activity?] | [Which premises are needed to complete the activity?] | [Which technology and data is needed to complete the activity?] | [Which third parties are needed to complete the activity?] | [Insert any known risks and / or vulnerabilities to the activity or dependencies] |
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\* When considering the impact of a disruption, refer to the Impact Matrix on the next page to help validate the decision. This will help to determine the impact based on impacts to Finance, Legal, Operations, Customers, Reputation etc.).

## Business Impact Analysis

### Impact Matrix

Use an example of the below Impact Matrix to help determine the level of impact that a disruption could cause to the business.

|                        | Low impact   | Medium impact  | High impact  |
|------------------------|--|--|--|
| <b>Finance</b>         | A minimal impact to our financial performance.<br>e.g. Range of £X - £Y impact on sales. | A material impact to our financial performance which requires response from departments.<br>e.g. Range of £X - £Y impact on sales. | A significant impact to our financial performance which requires immediate, senior level response.<br>e.g. Range of £X - £Y impact on sales. |
| <b>Legal</b>           | Minimal legal impact and requires no response.   | A material legal impact which requires legal support.  | A significant legal impact which requires regulator communications and legal support.  |
| <b>Operations</b>      | A minimal impact to critical activities and departments. Operations can be delayed.      | A material impact to our overall operations and the service we provide to customers.   | A significant impact on our operations; business continuity plans are required to recover services as quickly as possible.                   |
| <b>Customer</b>        | Few customers are impacted. The number of customers impacted is not material.            | A high number of customers are impacted.   | An intolerable level of customers are impacted.  |
| <b>Reputation</b>      | There will be limited reputation damage; mainly internal.                                | There may be some local coverage which could impact our reputation in the short term.  | There could be some significant local / national coverage which would impact our internal and external reputation for the long term.         |
| <b>[Other impacts]</b> | [Insert other impact criteria if necessary]  | [Insert other impact criteria if necessary]  | [Insert other impact criteria if necessary]  |