

The Importance of Business Impact Analysis (BIA)

As the name signifies, **a BIA quantifies the impact of a disruption in your business.** It doesn't matter if the disruption happens because of an internet outage or a severe breach — a BIA covers it all. A business impact analysis lays the foundation for a strong business continuity and disaster recovery (BCDR) strategy as well as a data security and compliance program.

- **For BCDR**
Once a BIA identifies business-critical functions, protecting them with industry-best solutions and strategies ensures quick recovery and business continuity.
- **For a Compliance Program**
A BIA helps find gaps in your current compliance agreements and ensures compliance with cyber liability insurance policies and other relevant policies.
- **For Data Security**
One of the most important aspects of a BIA is tracking the flow of sensitive data, both at rest and in transit. Providing the necessary security is then easy.

All of the above are equally important proactive and reactive tools to protect data, uptime, revenue and reputation. It's crucial to remember that BIA isn't a one-and-done process. You must conduct regular BIAs and apply the results within your business to stay ahead of the curve.

Something we often see many businesses do is confuse a BIA with a risk assessment. While a risk assessment lets you know your business' risks, a BIA helps you deduce how quickly things must get back on track after an incident.

Components of BIA

A few vital components of a BIA are:

1. **Recovery Point Objective (RPO)**
RPO is usually measured in seconds and represents the amount of work that can be lost in the event of a disruption. Loss of work beyond this limit can cause significant damage to the business.
2. **Maximum Allowable Downtime (MAD)**
MAD represents the duration after a disruption event beyond which the impact caused by zero/minimal output becomes severe.
3. **Dependencies**
A BIA can be used to determine the dependencies of business processes and systems. It lets you prioritize the resources that need quick recovery so that you know which functions or processes need to

be restored first in the event of downtime. Always prioritize a business function over others if multiple processes depend on it to be operational.

It's possible to have dependencies regarding vendors essential to restoring systems and functions. This includes IT vendors, ISPs, etc., all of which must be documented in the BIA.

4. Business Impact

As we discovered earlier, a BIA identifies your business' most essential functions. It helps uncover vital business processes, the crucial resources within these processes and the critical systems involved.

BIA: Best Practices

While adopting regular BIA, consider the following best practices:

1. Executive sponsorship and commitment.
If a BIA framework has sponsorship, there's an endorsement from a top-level executive who will oversee and help it progress.

In the absence of executive sponsorship, your company could conduct a BIA, run regular risk assessments, and look excellent on paper, but end up letting severe vulnerabilities seep in through the cracks unchecked.
2. Consult with experts to establish recovery timeframes.
Recovery timeframes, such as RPO, MAD and more, must be accurately defined for a BIA. There's no room for error, so it's advisable that you as well as your IT team seek expert help.
3. Use objective criteria to identify critical functions.
Always use objective criteria to identify crucial processes, systems, and functions. If you rely on the opinions of managers, every one of them will say their own undertaking is critical.
4. Integrate BIA results with training programs.
Make sure you communicate insights from a BIA through regular training sessions. For example, once you identify business-critical functions, create a training session emphasizing what your employees can and cannot do to ensure functional safety.

Partner for Success

Regardless of your industry and business size, it's your responsibility to regularly conduct a BIA. Remember that an effective BIA acts as a foundation of resiliency and business continuity. If the idea of being responsible for your business's BIA is intimidating, don't worry. With our team in your corner, you don't have to go through the process alone.

Our expertise in handling BIA is at your service when you need it most. You can easily hand over BIA matters to a trusted partner like us and enjoy peace of mind while you focus on your business. Contact us now for a comprehensive and holistic BIA.