

# Shaking Up the Business Impact Analysis

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Welcome back to my column of trends and directions in the continuity industry. I'd like to ask you to take a more participatory role in reading this article. Please let me know what you think of my perspectives — good and bad — and offer up some of your own thoughts that I can share in future articles on this topic.

Send comments to  
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**A**s far back as I can remember in this industry (a long time, I know!), the term business impact analysis, or BIA for short, has been a cornerstone of the process of building disaster recovery and business continuity plans. Doing a BIA was always synonymous with the first steps in the planning process, since the BIA was supposed to determine the risks and impacts of an outage to the critical applications and business functions. Armed with that information, planners could determine how to back up their data and select an appropriate recovery site.

Some folks have used templates for BIAs that they got from fellow planners or industry groups. Others have used automated tools, such as those that Strohl and SunGard provide. Still others have developed their own questionnaires based on the information they deem important.

Basically, what I think you want to find out in a BIA depends on how you plan to use the information. I don't think there is a right or wrong format or a right or wrong set of questions. The format, questions, and approach just need to meet your objectives and desired goals. To that point, let's explore several approaches:

## Revenue?

If your intent is to build a financial model that compares financial risk to DR/BCP cost, then a series of financial metrics is important to determine. My experience with this is that the "cost" side of DR/BCP is a heck of a lot easier to determine

than the revenue or financial impact on the organization. In fact, I've seen situations where the documented revenue impact from the BIA interviews has exceeded the organization's actual annual revenue — obviously a difficult situation to explain!

This, to me, is the toughest approach to pursue, as the revenue impacts are somewhat difficult to really lock in on, and vary greatly from industry to industry. Everyone wants to be involved in the revenue generation process, and it is often difficult for end users to differentiate between revenue really lost versus deferred.

## Risk?

If your intent is to determine risk, then a different line of questioning is required. This approach requires identifying potential impacts that could occur and documenting them in terms of financial, regulatory/contractual, or operating effects on your business.

Some folks use scenario-based questioning to get the interviewee involved in the "event." Others use questions designed to look at several different types of risks — possibly including natural disasters, power or cooling issues, fires, or other events. Armed with the risks and the resulting impacts, you can use the BIA to show management the "reason" you need DR/BCP.

## RTO and RPO?

Another approach might be a line of questioning that is designed to identify the recovery time objectives

(RTOs) and recovery point objectives (RPOs) for both the IT systems and the business units. Personally, I like this approach, as it provides valuable information for shaping the vital records protection program and determining the best approach to selecting a recovery site strategy.

RTO is important as it dictates how quickly the IT systems need to be restored and people need to be back at work. RPO is important as it dictates how often information needs to be protected and how quickly it needs to be restored.

It is also important that the IT RTO and the business RTO be synchronized,

training? Do you use workshops or individual interviews? So there are lots of questions and perspectives, but not a lot of answers as we all take different approaches.

### **Your Answers...**

This is where you come in. Let me know what has worked and what hasn't when you have done BIAs. Tell me the approach you have taken and what — if anything — you would do differently. I'll assemble the feedback and provide it in a future article.

Why do I think we need to do this? Because I believe the BIA process has become quite stale in our industry. I

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especially if the event impacts both sides. What good is a two-hour IT RTO, with its inherent high cost, if the end user site won't be available for 24 hours and no one can use the IT systems?

### **IT or End User?**

Lastly, some folks fashion their BIA questionnaires to focus on only the IT side or only the end user side, depending on their desired end result.

### **More Questions...**

Once you have decided on the objective and line or lines of questioning, who do you involve? Do you interview management, or the actual workers in the departments? Do you involve compliance and legal for their perspectives or only the operating side? And what about IT? What role do they play in providing the answers?

Also, do you send the questionnaires out in advance. Do you conduct

read BIAs that tell me a lot of information, but don't help me understand what course of action a client should take or what their true risks are. Without that, how can they can explain those risks to management and justify spending money to improve their programs?

Let's see what we can do to share ideas with each other on this topic, and re-shape the BIA process to be of greater value to all of us. E-mail your thoughts to me at [JJ@FusionRiskMgmt.com](mailto:JJ@FusionRiskMgmt.com), and thanks in advance for your perspectives. **CI**

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