Business Impact Analysis

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Business Impact Analysis

Firms while creating business continuity plans, primarily use the Business Impact Analysis tool. It is also utilized to gather data to comprehend organizational functions that can help during risk management. With a Business Impact Analysis, a company can manage to create a foundation for an efficient Business Continuity plan. Using a BIA, the organization can identify and quantify business-related effects when a loss occurs or when any disruption affects the company (Kakade et al, 2019). With the effective application of the Business Impact Analysis and the Business Continuity Plan, a firm can recover its preliminary operations in any condition or circumstance.

**Methods for Establishing Component priorities, Dependencies and Reliance**

One primary means of establishing component priorities is by conducting surveys amongst individuals within a specific business unit. Much caution should be applied in such a case since if random employees are selected for the process may not comprehend the acute functions of the organization (Cook, 2015). The management can learn the operations that influential employees view as most important. It is eminent that the chosen operations form the basic component priorities in the organization. Another elaborate method is conducting interviews with individuals from each department. In this situation, careful selection is paramount to get the right feedback. The selected employees from the departments should comprehend the functions and the operational process in the company. After a decision is made on how the survey and interviews will be carried out, the Business Impact Analysis team should come up with proficient questions to ask the individuals, they include:

"What is the main role of your department? Which tools do you find most prerequisites in managing your roles in the department? If these tools were removed at your reach, could this affect your functions? Do you have alternative solutions on what you would utilize if the tools were not existent? How does the IT department aid in the integration of functions in your department?"

These basic questions help in obtaining valuable answers that can help in the establishment of component priorities. Business functions as carried out by employees may be easily outlined without the involvement of experts. The finance, as well as the audit department, enables the team in highlighting the financial and service effect of component priorities. The latter has all the valuable information when it comes to the organization’s accounting records thereby they should be involved during the process. Recovery time frameworks can be acquired through a multi-dimensional approach involving all stakeholders and individuals who ought to give suggestions on how time frameworks should be pulled through (Kakade et al, 2019).

Vast methods can be used in the identification of component dependencies and component reliance. Component dependencies help in outlining the bindings between varied components that are dependent (Schwarz et al 2015). Therefore, in this case, there should be two types of processes that are indicated as parent components. However, the two are bonded by different activities to make them one. Components that depend on the parent component are referred to as the component reliance. In a firm, some functions cannot survive solely whereas others can work independently. For instance, software programming requires the IT department whereas the Human Resource can run without the IT team. This means that software programming is the component reliance whereas; the IT team and the Human resource are component dependents.

The best means of identifying component reliance and component dependencies is using a survey method. In the process, it is suggestible that leaders and heads of departments are highly involved. These members of staff understand the components of the organization from a wide view hence they can elaborate on which teams are dependent and those that need the support of others. A thorough research can also be carried out to highlight which component dependencies and reliance are found within a company (Cook, 2015). Through the latter, the BIA team can identify the vital resources that can be used in the recovery of components in case of failure events. Resources that are important in the recovery process can also be identified through interviews with employees since they have much knowledge of the day-to-day tools that they utilize in the recovery of minor failures.

Human assets that are needed to recover components can be identified using the Human Resource team (Kakade et al, 2019). This department is in charge of hiring skilled professionals hence they have all the knowledge on the human assets that are functional and those that can help in the specific recovery of components. Head of Departments are capable of identifying the best performing individuals in their teams. Thereby, they can be examined on the probable human assets that are suitable in the recovery of components. Overall, the management is highly advised on the best employees hence they can suggest these individuals to the Business Impact Analysis Team. The leaders, human resource and head of the department should create a list of high performing workers that can help in the recovery process of components and other resources.

**Recommendation**

The fundamental role of a Business Impact Analysis (BIA) is comprehending the processes and components that are important to underlying operations and to also understand the effect that the disruption of the operations would have on the organization (Kakade et al, 2019). Looking at the analysis from an IT perspective, the BIA has the core purpose of correlating components with the functions that they offer. Based on that data, one can manage to categorize the consequences that may arise if a disruption occurs in the business. There are two vital parts when it comes to the creation of the Business Impact Analysis. The first segment is to comprehend the mission-critical business activities and the second is to correlate these to IT systems. The understanding of 'business functions' is a prerequisite to figure out how to identify how to use IT systems in the recovery of lost components (Cook, 2015). The BIA created should be able to serve the following purposes; Offer a piece of resource information that can help in developing an appropriate recovery strategy. The BIA should manage to obtain and outline the firm's most critical objectives and the essence of each of them. It should offer information about the management decision that can help in the recovery of each component. Lastly, it should be able to outline the specific dependencies that are found in and out of the organizations that help in the attainment of critical objectives ( Cook, 2015). The major steps involved in the creation of BIA include; identification of primary business functions, establishment of business recovery requirements, determination of interdependencies, highlighting of operations’ impact, development of business processes' classification and priorities, creation of recovery time requirements and lastly the determination of legal, financial and operation effects of disruption. The outcomes of carrying out these steps are the creation of mitigation strategies and the outcome of recovering the business. During recovery efforts, the company personnel should be educated and trained on the analysis-taking place. This helps them in making them resourceful in the whole process.

Resources

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