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Annie Searle & Associates LLC

## Research Note

# Building a Better BIA

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**Applicable Sectors: Financial services, Public Health, Energy,  
Emergency Services, Information Technology**

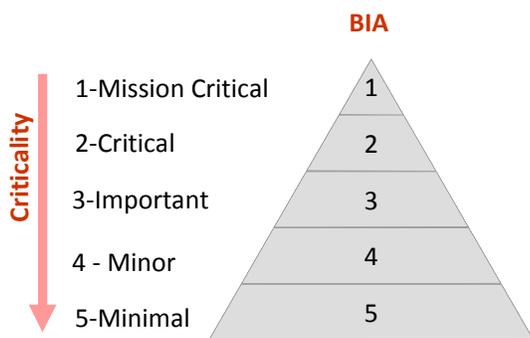
As companies are discovering the need for a solid Business Resiliency Program, the challenge becomes to visualize the whole picture and not getting lost in the details.

According to the Federal Financial Institutions Examination Council (FFIEC) examination booklet<sup>1</sup>, “The purpose of a BIA (Business Impact Analysis) is to determine what impact a disruptive event would have on a financial institution”. With this broad definition in mind, one often dissects a company into the smallest possible unique business

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<sup>1</sup> FFIEC IT Examination booklet, March 2008 edition, Appendix F: Business Impact Analysis Process

functions, and then applies a full analysis on those functions to determine the “maximum allowable downtime” (MAD) and “recovery time objective” (RTO). This might result in hundreds of BIA documents, which, just like pieces of a giant unfinished puzzle, are basically useless unless one can see the overall picture.



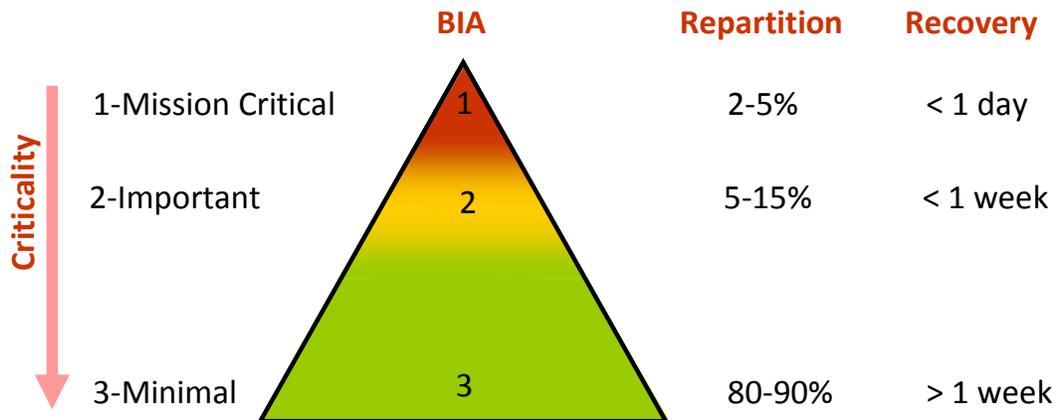
Originally, business functions were separated in up to 5 or more categories, based upon criticality for the company. However, this level of detail adds complexity and even

confusion when it is time to review or audit the function.

Conversely, a strict, but simple approach, as shown below, can help alleviate potential confusion, especially if one adheres to the following guidelines:

- there’s only so much that can be done in a day,
- nobody really has unlimited resources,
- recovery of the non-Mission Critical functions is more of a sequential process than a parallel effort,

- and, above all, the key to a successful initial recovery from a major event is to maintain the existence of the company:



it is not the time to think about profit, growth, or competition.

For example, if we find 80 unique business functions after evaluating a company, a realistic repartition of criticality would be to concentrate first on the following three (3) mission-critical functions essential in keeping any company afloat: the ability to respond to customer/employee inquiries, to keep track of financial activities, and of course, to launch the command center in charge of handling the event. An additional 10 functions (roughly 12%) might be selected for recovery within a week, and all other business functions would be recoverable as time and/or resources allow.



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By keeping these factors in mind when creating BIAs and assigning criticality levels, a company can realistically prepare itself to handle any disruption of service.

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