INTRODUCTION TO THE BIA

Michael Herrera
CEO, MHA Consulting

January 9, 2019
## COMPANY BACKGROUND

### KEY FACTS

<table>
<thead>
<tr>
<th>Icon</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Gear" /></td>
<td>19 Years in operation.</td>
</tr>
<tr>
<td><img src="image" alt="Light Bulb" /></td>
<td>20 Average years industry experience.</td>
</tr>
<tr>
<td><img src="image" alt="Globe" /></td>
<td>CAPABLE Comprehensive suite of services.</td>
</tr>
<tr>
<td><img src="image" alt="Cloud" /></td>
<td>GLOBAL Diverse, global client base.</td>
</tr>
<tr>
<td><img src="image" alt="Cloud with Gear" /></td>
<td>SAAS Compliance and risk tools.</td>
</tr>
</tbody>
</table>

- A 19-year proven track record of applying industry standards and best practices across a diverse pedigree of clients.
- A simple mission: Ensure the continuous operations of our clients' critical processes.
- We seek to partner with clients who have a commitment to BCM versus a check the box mentality.
- SaaS Tools: BIA On-Demand, Compliance Confidence, Residual Risk, and BCM One.

### SENIOR LEADERSHIP

MHA Consulting’s senior team has an average of over 20 years of industry relevant experience in the areas of Business Continuity, Disaster Recovery, and Project Management.

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Phoenix, Arizona  
[www.mha-it.com](http://www.mha-it.com)  
[https://bcmmetrics.com/](https://bcmmetrics.com/)

www.mha-it.com  
https://bcmmetrics.com/
DIVERSE GLOBAL CLIENT BASE

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>HEALTHCARE</th>
<th>EDUCATION</th>
<th>FINANCIAL INSTITUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EARLY WARNING services</td>
<td>AMGEN</td>
<td>ASU</td>
<td>AMERICAN EXPRESS</td>
</tr>
<tr>
<td>LifeLock</td>
<td>CVS Health</td>
<td>MARRICOPA COMMUNITY COLLEGES</td>
<td>PENFED CREDIT UNION</td>
</tr>
<tr>
<td>ATS</td>
<td>COVIDIEN</td>
<td>JOHNSON &amp; WALES UNIVERSITY</td>
<td>City National Bank</td>
</tr>
<tr>
<td>American Traffic Solutions®</td>
<td>NUVASIVE</td>
<td>NuVasive</td>
<td>The way up</td>
</tr>
<tr>
<td>REDFLEX TRAFFIC SYSTEMS</td>
<td>McKesson</td>
<td>THE CATHOLIC UNIVERSITY OF AMERICA</td>
<td>Desert Schools</td>
</tr>
<tr>
<td>TRANSPERFECT</td>
<td>Medtronic</td>
<td>PHOENIX CHILDREN'S HOSPITAL</td>
<td>Charles Schwab</td>
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<tr>
<td>Hewlett Packard Enterprise</td>
<td>Scottsdale Healthcare</td>
<td>PROVIDENCE COLLEGE</td>
<td>Desert Schools</td>
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<td>kw</td>
<td>PHOENIX CHILDREN'S HOSPITAL</td>
<td>APOLLO GROUP INC.</td>
<td>Square</td>
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<tr>
<td>KELLERWILLIAMS</td>
<td>McKesson</td>
<td>MARICOPA COMMUNITY COLLEGES</td>
<td>Fannie Mae</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>CONSUMER PRODUCTS</th>
<th>INSURANCE</th>
<th>TRAVEL &amp; ENTERTAINMENT</th>
<th>GOVERNMENT/UTILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bis</td>
<td>Mutual of Omaha</td>
<td>MGM RESORTS INTERNATIONAL</td>
<td>City of Tempe, Arizona</td>
</tr>
<tr>
<td>Ratner Companies</td>
<td>Health Alliance</td>
<td>Harrah's Entertainment Group</td>
<td>PNM</td>
</tr>
<tr>
<td>Guitar Center</td>
<td>CopperPoint Mutual Insurance Company</td>
<td>REGAL ENTERTAINMENT GROUP</td>
<td>CAP</td>
</tr>
<tr>
<td>GameStop</td>
<td>Blue Cross Blue Shield of Arizona</td>
<td>Well Resorts</td>
<td>Idaho Power</td>
</tr>
<tr>
<td>Insight</td>
<td>YORK</td>
<td>SkyWest Airlines</td>
<td>NASA</td>
</tr>
<tr>
<td>PETSMART</td>
<td>TriWest</td>
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WHY ARE YOU HERE?
The Business Impact Analysis (BIA) is the foundational step that incorporates overall business functions and risk assessment results to analyze the impact of a disruption to those functions for any length of time.

A BIA is, at its heart, a fact-finding mission. In the event of downtime, what would happen to your company? Do the analysis right and you’ll come to a deeper, more realistic understanding of your company’s current state of operations—and pave the way for creating a business recovery strategy that actually works.
## WHAT TO EXPECT

<table>
<thead>
<tr>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
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</thead>
<tbody>
<tr>
<td>How to organize the BIA process, prepare BIA questionnaires, and conduct BIA interviews and workshops.</td>
<td>How to set priorities and understand how long your organization can operate without essential functions, technology, equipment, information, or suppliers.</td>
<td>Understand specific financial and operational exposures to your organization in the event of disaster.</td>
<td>Establish the roadmap for development of recovery plans, solutions, and strategies based on the criticality of the functions.</td>
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KEY TERMS
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One of the more confusing aspects of business continuity is the terminology. A number of common terms are similar to those used in BCM, but with slightly different meanings.

**Business continuity (BC)** is the strategic and tactical capability of the organization to plan for and respond to incidents and business disruptions in order to continue business operations at an acceptable predefined level.

**Business continuity management (BCM)** is the enterprise management of continuity planning efforts.

**Business continuity plan (BCP)** is the documented collection of procedures and information developed, compiled, and maintained in readiness for use in an incident to enable an organization to deliver critical products and services at an acceptable predefined level.

**Business impact analysis (BIA)** is the identification of business activities and systems critical to survival.

**Threat & risk assessment (TRA)** is the identification of threats to operations, risk exposures, and mitigation activities.
Business function refers to the process, activity or operation that is performed routinely to carry out a part of the mission of an organization.

Recovery time objective (RTO) refers to how soon a function or system must be restored before impact to the enterprise occurs.

Recovery point objective (RPO) refers to the maximum data loss that can be experienced before a business function suffers a material impact.

Recovery strategies refer to the solutions used to recover critical business activities and systems in a predefined manner and timeframe to ensure an organization’s recovery and continuity in the face of a disaster or other major outage.

Business recovery planning refers to the advance planning for the recovery of key business activities.
Crisis management refers to the process designed to enable an effective strategic response to an event. Crisis management processes focus on stabilizing the situation and preparing the business for recovery operations.

Business recovery plan (BRP) outlines the steps and actions you need to take in the event your business operations have been disrupted. A BRP provides direction on how to recover the critical operations of your specific business area.

Disaster recovery planning (DRP) is a term reserved for the recovery and resumption of critical technology assets in case of a disaster. DRP can include tasks such as resuming individual systems or recovering all critical aspects of the IT environment.

Recovery exercise refers to the process of rehearsing the roles of team members and staff, and testing the recovery or continuity of an organization’s systems (e.g., technology, telephony, administration) to demonstrate business continuity competence and capability.
BCM OVERVIEW
TYPICAL RECOVERY ACTIVITIES SEQUENCE

INCIDENT

RTO

BUSINESS IN RECOVERY MODE

Manual Processes

- Relocate Business Units
- Implement Non-IT Process
- Process Backlogged Data
- Voice
- Recovery Network
- Data Lines
- Recover Hardware & Systems
- Recover Applications
- Recover & Validate Data
- Home Site/Facility Recovery/Rebuild

Typical Recovery Activities Sequence

- Fire/Life Plans
- BIA, TRA
- Continuity Plans
- Recovery Exercises
- RPO
- Offsite Storage
- Data Backup: Vital Records

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WHAT IS A BIA?
WHAT IS A BIA?
THE BUSINESS IMPACT ANALYSIS (BIA):

Provides you with a clear picture of the criticality of your business units based on the processes they perform.

Serves as the foundation of a good continuity strategy.

Helps you identify the dependencies and resources that must be in place for those processes to run.
WHAT IS A BIA?

A Business Impact Analysis (BIA) involves:

Identifying the business processes within the organization.

- Identifying the dependencies (internal or external) that must be in place in order for those business functions to operate.
  - Systems/Applications, Internal Resources and External Third Parties

Determining the quantitative (dollar) and qualitative (non-dollar) impacts of not performing those functions over a period of time.

- Impacts should be evaluated over time (e.g., 24 hours, 48 hours, 5 days, greater than 5 days).

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BUSINESS IMPACT ANALYSIS

Measures not only the **LOSS OF REVENUE** or added expenses incurred in actual dollars (quantitative impacts), but also the **IMPACT ON STAFF, CUSTOMERS AND INVESTORS** (qualitative impacts) at the **PEAK PROCESSING TIME** of the function being evaluated.

- **01** Identifies business impact when processes are not available.
- **02** Is based on an inability to perform a process.
- **03** Determines how quickly the process must be made available before the enterprise is impacted.
- **04** Is not concerned with why a process is unavailable, only when it needs to be available.
- **05** Helps identify the dependent information technology needed for functional recovery of the process.
WHY CONDUCT A BIA?
WHY CONDUCT A BIA?

THE BIA will help management realize the EFFECTS A DISRUPTION will have on the business.

The BIA PROVIDES DIRECTION for the creation of continuity plans based on CRITICALITY to the continued operation of the enterprise.

Provides a STANDARDIZED PROCESS to identify the functions that are critical for business survival.

Determines the IMPACTS OF NOT PERFORMING the CRITICAL PROCESSES over time.

Identifies the DEPENDENCIES associated with running the enterprise and the critical functions.
WHEN SHOULD I CONDUCT A BIA?

Best practices recommend EVERY TWO YEARS at a minimum. Current trends show BIAs now being conducted ANNUALLY at highly regulated organizations.

A BIA SHOULD BE CONDUCTED AS SIGNIFICANT CHANGES OCCUR TO THE BUSINESS.

Typically done as part of the FUNCTIONAL REQUIREMENTS PHASE of the continuity planning process.

A BIA should always be a part of your ongoing preparedness planning process.
01. Each organization is different.

02. Do not combine the BIA with the recovery strategy.

03. It’s a point-in-time assessment.

04. There is no single correct way to conduct the BIA or to report its findings.

05. KIS – keep it simple.

06. Don’t expect participants to be excited or ready to engage.

07. Management wants to set RTO that doesn’t match the analysis – “Management Told You So.”
KEYS TO BIA SUCCESS

Scope BIA **APPROPRIATELY.**

1. **ALIGN RESULTS** with information technology for disaster recovery planning.

2. Develop **DATA GATHERING PLAN** that is in alignment with industry standards, meets your executive requirements, and complements company culture.

3. Use objective data wherever possible, but recognize **SUBJECTIVE DATA IS VALUABLE.**

4. Seek executive advice **UP FRONT** and **SIGNOFF** at the end.

5. Obtain **VALIDATION** to ensure buy-in with results.

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HOW CAN MHA CONSULTING HELP?

THE BUSINESS IMPACT ANALYSIS (BIA):

Provide resources to conduct the BIA end to end and provide you and your organization with concise results and reports.

Provide coaching to help you and your team get through the BIA from beginning to end.

Use our cloud based BIA On-Demand tool to conduct and report on your BIAs.

www.bcmmetrics.com
THANK YOU

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