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HOW TO WIN WITH BIA

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Throughout the ITIL, you see *Impact Analysis* or *Business Impact Analysis* (BIA) as critical to effective IT decision making, and invaluable to overcoming objections. However, few actually know how to perform a BIA; and fewer that a BIA is not something you do by yourself!

The BIA measures and reports on the possible affects associated with changes or disruptions to IT Services, processes, or Configuration Items (CIs). The purpose of BIA is to speed, ease and improve decision making while reducing errors.

Learning how to standardize BIA can dramatically improve your process for making good IT decisions. Of course, better decision making improves the efficiency and effectiveness of all the ITIL processes.

Like many aspects of the ITIL, BIA is something you can standardize and formalize into a repeatable process.

The following 6 steps provide a very effective template for sound IT decision making and creating a sound BIA process.

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1. **Establishment** -- Working with management and customers agree to a method of representing business impact, and representatives who can assist in the BIA. If you have not already done so, involve Change and Configuration Management in this process.

a. Choose and agree to one way to express the "cost of downtime" -- dollars, time, lost customers, impacted user minutes, etc. Don't forget to include both "hard" and "soft" costs such as market position, industry reputation, customer perception, and legal loss potential into your conversations about "cost of downtime."

b. Select those IT Services the business feels critical to their success, include those "internal" IT Services IT feels are critical as well.

c. Determine BIA Team membership. BIA requires a team. Identify those people who can review proposals and provide clear and accurate assessment of potential impact to their area of expertise -- CAB members and delegates are a good source of such people.

2. **Form Creation** -- Your goal is a repeatable BIA process, one accepted by management and customers, so you need a form. An excel spreadsheet works nicely here.

a. Create a new spreadsheet, and add titles for goals, objectives, and scope to help you focus and enforces a modular and repeatable process.

b. Input each critical service on a row. Input "cost of downtime" formula agreed with the business, and a column "minutes of downtime."

c. Prepare a BIA Questionnaire. It should include a cover memo that will contain an explanation of the proposal, and an area for BIA Team responses.
You now have a template that can calculate the "cost of downtime" in terms everyone understands and agrees. This is the basis for your BIA.

3. **Data Gathering** -- The BIA is not something you do by yourself! A sound BIA needs to involve those people involved in whatever you are analyzing. For each BIA prepare a questionnaire, with a cover memo detailing the proposal. Send the questionnaire to the BIA Team. Ask them each to respond about:

a. Impact to their functional area (using the agreed "cost of downtime" metric)

b. Additional expenses projected (dollars, times, etc.)

c. Their readiness

d. Technology issues they perceive

e. Any other issues (this is important)

4. **Analysis** -- Review the information returned from the BIA Team questionnaire carefully. The entire purpose is to improve decision-making. Using the estimates from the questionnaire, update the spreadsheet. Tabulate and total the results. You should now have a clear, unambiguous valuation of the potential impact of the proposal. Now, you must validate your findings before publishing them as fact.

5. **Validation** -- Failure to validate your findings with the BIA team is a critical mistake. Often, participants will not agree with their original estimates when they see the first analysis. Your goal is to achieve accuracy, not consensus however.

6. **Publishing** -- Send the completed BIA report to all those who participated, as well as whomever will actually use the BIA to make a decision. Use any accepted reporting format, but be sure to include a summary, the objectives, and scope of the BIA, as well as the input from the BIA Team. Readers of the report may choose to contact those organization particularly impacted by the proposal.

A BIA performed in this manner is easy and inexpensive to produce as it uses standard office tools. The standard format and process means each BIA will be consistent, and aids in correct decision-making.

Decision makers will come to rely upon your BIA, and the team approach takes into account the

concerns of the organizations involved — making it easier to overcome resource, scheduling and cost objections!

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