

II. Phase II: Identification of Functional Requirements

It is impossible to plan properly for a disaster if the likely impacts of various disruptions on an agency are unknown. For this reason, a Business Impact Analysis is essential to developing an effective COOP plan.

A Business Impact Analysis (BIA) is the process of identifying and prioritizing the essential functions (those which must be continued) of an agency and measuring the impact that results from a loss or prolonged interruption of these operations. Assessing the impact of an event includes estimating the quantitative or economic losses. Also important is the qualitative impact on an agency's ability to operate; for example, psychological effects on employees and detrimental impacts on an agency's reputation. Agencies may use worksheets listed below for BIA, or they may use software (Sthrol's Systems, for example) that may be available for the same purpose.

A BIA has four components:

- Identifying the assets required to perform the agency's core mission;
- Identifying the potential hazards or threats to those assets.
- Determining the agency's susceptibility to effects of each hazard or threat.
- Determining the potential impact of each threat.

A Risk Analysis (RA) is the evaluation of the probability that certain disruptions will occur and the controls to reduce organizational exposure to such risk. It establishes the probability of an event causing disruption to operations. With this information, an agency can outline a set of objectives and strategies for the prevention of, mitigation of and recovery from loss.

Although BIAs and RAs are separate tools, the RA is often performed jointly with the vulnerability assessment in a BIA.

When thorough BIAs and RAs are properly completed, they provide information necessary in identifying many of the elements of a viable COOP plan.

Phase II focuses on assessment of the functional requirements of a COOP plan. It consists of:

- Identifying Essential Functions
- Identifying Vital Records, Systems and Equipment
- Naming Key Personnel