

CRITICAL BUSINESS FUNCTIONS

Identifying critical business functions is integral in resuming operations following a disaster.

This template will walk you through the very important steps of identifying the most critical functions in your business. You may consider your critical functions as those activities that are vital to your organization's survival and to the resumption of business operations. Typically, your critical functions are the business functions that are (1) most sensitive to downtime, (2) fulfill legal or financial obligations to maintain cash flow, (3) play a key role in maintaining your business' market share and reputation, and/or (4) safeguard an irreplaceable asset. Keep in mind, the process of identifying your critical business functions will work in close conjunction with your risk assessment analysis.

Steps:

1. Identify the critical business functions of your business. Please reference the following considerations when determining the criticality of each business function.
2. Classify these critical business functions into the following categories: high (most severe), medium, and low (least severe). Please reference the preceding graphs for an illustrated example.
3. Complete the Critical Business Functions Chart with each critical business function.

Considerations when Determining Criticality of a Function:

- What business objective/goal does this function support?
- How often does this function occur?
- How many business units (departments) perform this function?
- Does the successful completion of this function depend on any other functions?
- Are other functions dependent on this function for its successful completion?
- Is there a potential for revenue loss if this function is not completed?
- Is there a potential for fines, litigation, or other punishment for noncompliance due to a required regulatory requirement?
- Is noncompliance tied to a specific downtime for this function?
- Does this function directly impact the business' image or market share?
- What priority ranking would you give this function as compared to other functions?

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Critical Business Functions Chart

After you have identified the criticality and maximum downtime for each critical business function, you will record each function and the impact it has on other business functions in the chart below. It is your objective to identify all the resources and personnel required to restore or reproduce this function *during a recovery*. After identifying what will be required to reproduce each critical business function, make sure you include a brief guide on how to restore this function in a recovery environment.

Function	Criticality	Maximum Downtime	Person/Team	Required Resources	Impacted Functions	Brief Process to Complete Function
Example: Insurance Claims	High	2 Days	A. Jones – Mgr. Alt 1: K. Smith Alt 2: R Howard	10 employees, phones, claim mgt software, paper forms	Claims assessing, filing	Take calls, document in system, file
Example: Open new savings act.	Low	1 Week	L. Singleton	1 employee, account mgmt software, N103-B form, printer	New accounts	Customer completes N103-B form onsite, enter into system