



How Organizational Change Reshapes Your BCM Program and the Next BIA

*Mergers, core conversions, new executives, new products,
and application changes: what each means for the next
Business Impact Analysis, and the opportunity each creates*

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October 27, 2026

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Introduction

Every significant organizational change is also a business continuity event. A merger, a core conversion, a new executive, a new product, or a new business application each changes what the institution does, how it does it, or who decides. Each one therefore changes the facts that the Business Continuity Management (BCM) program was built on.

The Business Impact Analysis (BIA) is where those facts live. It records which business functions matter most, what they depend on, and how long they can be down. Strategies, plans, tests, and board reporting all rest on it. When the organization changes and the BIA does not, everything built on the BIA quietly goes out of date.

Change is not only a burden on the program. The FFIEC describes changes as "Triggers that prompt maintenance and improvement of the business continuity program" (FFIEC BCM Booklet, 2019, Section VIII). Improvement is the operative word. Each change brings leadership attention, project funding, and a reason to revisit decisions that would otherwise go unexamined, and a BCM program that is ready for change can use all three to come out stronger.

This article looks at five common types of organizational change. For each one, it assesses the effect on the BCM program as a whole, sets out how the change should shape the next BIA cycle, and identifies the opportunity the change creates to strengthen both. Where a point comes from published guidance, it is cited. Where it comes from BNP, Inc.'s own experience facilitating BIAs for banks and credit unions, it is labeled *Practice-based*.

What the guidance expects when the organization changes

Regulators and standards bodies are consistent on one point: the BCM program, and the BIA in particular, must keep pace with change.

- **The FFIEC expects a BIA that can be redone.** The BIA methodology "should be repeatable, allowing management to reevaluate information after significant changes" (FFIEC BCM Booklet, 2019, Section III.A).
- **The FFIEC names change as a maintenance trigger.** Management "should regularly review and update the business continuity program" because risks and technology change. Listed triggers include "Changes in enterprise strategies," "New or reconfigured products, services, or infrastructure," and "Changes in products and services offered by third-party service providers" (FFIEC BCM Booklet, 2019, Section VIII).
- **Examiners ask about change directly.** The examination procedures direct examiners to identify changes that could affect resilience, including "Loss, addition, or change in duties of key personnel," "Hardware and software inventories," and "Changes to internal business processes" (FFIEC BCM Booklet, 2019, Appendix A, Objective 1).

- **The BCM documentation must prove it.** It "should include evidence substantiating periodic updates of the BIA, risk assessment, and BCP(s)" (FFIEC BCM Booklet, 2019, Section VIII).
- **NIST ties the BIA to significant change.** "When a significant change occurs, the BIA should be updated with the new information to identify new contingency requirements or priorities" (NIST SP 800-34 Rev. 1, Section 3.6). NIST SP 800-53 Rev. 5 control CP-2 likewise requires organizations to "Update the contingency plan to address changes to the organization, system, or environment of operation."

The practical message is that a calendar-driven BIA is not enough on its own. An annual cycle that ignores a merger closed in the spring, or a core conversion completed in the fall, will produce a BIA that is current in date but not in substance.

1. Mergers and acquisitions

A merger or acquisition changes almost every input to the BIA at once: the business functions, the people who perform them, the systems they run on, and the third parties behind those systems. It is the broadest organizational change a BCM program faces.

Effect on the BCM program

- Two programs and two sets of plans must become one. The FFIEC lists "Changes in enterprise strategies" as a trigger for updating the program (FFIEC BCM Booklet, 2019, Section VIII), and a merger is the clearest example.
- The third-party inventory roughly doubles before it shrinks. Contracts the acquired institution held must be reviewed for termination and transition terms, including "the time frame required to transition the activity to another third party" (Interagency Guidance on Third-Party Relationships, 2023, 88 FR 37935).
- Recovery strategies may conflict. Two institutions can have different alternate sites, different tolerances for downtime, and different approaches to manual workarounds. *Practice-based*.
- Ownership of plans changes. Department heads, BCM coordinators, and call-tree contacts move, leave, or take on new duties, which the FFIEC flags as "Loss, addition, or change in duties of key personnel" (FFIEC BCM Booklet, 2019, Appendix A).

Effect on the next BIA cycle

- **Scope.** The next BIA should cover the combined organization, not the surviving institution with the acquired one bolted on. Business functions that now exist twice should be consolidated or explicitly kept separate for the conversion period.
- **Timing.** A BIA run before the systems conversion will describe a temporary state. *Practice-based:* BNP generally recommends a targeted BIA of the acquired operations at legal close, and a full BIA after the systems conversion, when the operating model is settled.

- **Recovery objectives.** RTOs and MTDs must be reset on a single scale. A function rated Tier 1 at one institution and Tier 3 at the other needs a defensible single answer, not an average.
- **Interdependencies.** Duplicated and transitional interfaces, data feeds, and vendor relationships must be mapped. The FFIEC expects management to "identify, analyze, and prioritize interdependencies among business functions and systems" (FFIEC BCM Booklet, 2019, Section III.A).

Challenge questions a banking-expert facilitator asks *(Practice-based)*

- Which of these two versions of the process will survive conversion, and when does the other one stop?
- During the transition, if the acquired institution's core is down, can your team service those customers from your system?
- Has the acquired institution promised customers or regulators anything, such as branch hours or service levels, that changes your impact rating?

The opportunity *(Practice-based)*

- **Keep the better of two programs.** Integration is the one moment when practices, tools, and plan formats can be compared side by side. Adopt whichever is stronger, rather than defaulting to the acquirer's.
- **Start the combined data clean.** Merging two GRC databases is a chance to apply one naming convention, one set of impact criteria, and one function list from the first record.
- **Use integration momentum.** Merger integration has an executive sponsor, a budget, and a schedule. Placing BCM tasks on that plan secures resources the board is expected to allocate anyway (FFIEC BCM Booklet, 2019, Section II.A).
- **Rationalize the vendor list.** Consolidating duplicate providers is a chance to renegotiate contracts so they provide "for continuation of the activity" during disruptions (88 FR 37933).

2. Core system selection and conversion

The core processor sits underneath most of a bank's or credit union's business functions. Replacing it changes the single most important resource in the BIA, and the change starts long before conversion weekend.

Effect on the BCM program

- **Selection is a continuity decision.** The FFIEC observes that for a failed core provider, "the length of time required to convert to an alternate system would, for most applications, exceed a reasonable RTO" (FFIEC BCM Booklet, 2019, Section IV.A). The vendor's own resilience, recovery capabilities, and testing therefore belong in the selection criteria. The interagency guidance likewise says an assessment of "a third party's operational resilience practices" supports the institution's evaluation (88 FR 37931).

- **Conversion is a period of elevated risk.** The FFIEC expects "a consistent change management process throughout the entity," and says recovery systems and documentation at alternate locations "should similarly be updated" when production changes (FFIEC BCM Booklet, 2019, Section IV.A).
- **The exit from the old vendor needs a plan.** Contracts should provide "for the timely return or destruction of the banking organization's data" and reasonable time frames "to allow for the orderly transition" (88 FR 37934).
- **Recovery procedures and tests are rewritten.** Every plan step that names a core screen, report, batch job, or vendor contact is now wrong. *Practice-based.*

Effect on the next BIA cycle

- **Start the BIA during selection, not after go-live.** NIST says "The BIA should be performed during the Initiation phase of the SDLC," and that as the design evolves "the BIA may need to be conducted again" (NIST SP 800-34 Rev. 1, Section 3.2). Current RTOs and RPOs give the selection team a requirement to hold vendors to.
- **Rebuild the resource records.** Core modules, ancillary systems, interfaces, and the vendor's own subcontractors each need to be recorded and linked to the functions that use them.
- **Revalidate RTOs and RPOs against the new contract.** A function's RTO cannot be shorter than the recovery time the core vendor has committed to, unless a workaround covers the gap. *Practice-based.*
- **Capture new manual workarounds.** Workarounds written for the old core, such as offline balance files or branch reports, may not exist on the new platform.

Challenge questions a banking-expert facilitator asks (*Practice-based*)

- The new core vendor commits to recovery within a stated time. Your RTO for this function is shorter. What do you do in between?
- What report did you print from the old core to run this function during an outage, and does the new core produce it?
- Which ancillary systems did the old core feed that the new core does not, and who confirmed that?

The opportunity (*Practice-based*)

- **Write resilience into the contract.** A new core contract is the institution's best leverage to secure recovery commitments, testing participation, and exit terms. The interagency guidance notes that "an effective contract provides for continuation of the activity" (88 FR 37933).
- **Rehearse recovery during conversion.** Mock conversions already move data, staff, and procedures to a new environment. Adding recovery steps to those rehearsals tests continuity procedures at little extra cost.

- **Retire legacy workarounds.** Workarounds built around the old core's limits can be replaced with ones designed for the new platform's capabilities.
- **Rebuild resource records from scratch.** A conversion is the natural time to replace years of patched-together records with a clean, accurate inventory.

3. New executives

A new CEO, COO, CIO, or department head may change nothing on the org chart below them, yet still change the BCM program. Executives set risk appetite, approve recovery objectives, and decide how much the institution spends on resilience.

Effect on the BCM program

- **Governance roles change hands.** The FFIEC expects the board to oversee BCM by "Assigning BCM responsibility and accountability" and "Allocating resources to BCM," and expects management to define "BCM roles, responsibilities, and succession plans" (FFIEC BCM Booklet, 2019, Section II.A). A new executive in any of those roles needs to be named in the program documents.
- **Plans and contact lists go stale.** NIST lists "Names and contact information of team members" among the minimum elements of every plan review (NIST SP 800-34 Rev. 1, Section 3.6). NIST SP 800-53 CP-2 requires plan changes to be communicated to key contingency personnel "identified by name and/or by role."
- **Training is due.** The FFIEC says board training should occur "more frequently, based on significant changes to business processes" (FFIEC BCM Booklet, 2019, Section VI). A new executive who will lead the crisis management team needs that orientation before the next event, not after it.
- **Risk appetite may shift.** A new executive may accept more downtime to save cost, or less downtime to protect reputation. Either way, the approved recovery objectives should be re-presented for their sign-off. *Practice-based.*

Effect on the next BIA cycle

- **Re-confirm the impact criteria.** The financial, customer, regulatory, and reputational thresholds that drive impact ratings reflect a past leadership's tolerance. Have the new executive review and approve them before interviews start. *Practice-based.*
- **Expect re-ranked priorities.** A new executive's strategy can raise or lower the criticality of whole lines of business, which changes interview scope and sequencing.
- **Update BIA ownership.** Each department's BIA approver and subject matter expert (SME) list should be checked, since key personnel changes are one of the items examiners ask about (FFIEC BCM Booklet, 2019, Appendix A).

Challenge questions a banking-expert facilitator asks (*Practice-based*)

- Your new leader has said this product line is a priority. Does that change how long it can be down?

- Who now has authority to activate this plan and approve spending during an event?
- Has the new executive seen and approved the RTO you are giving us today?

The opportunity (*Practice-based*)

- **Fresh eyes on old ratings.** A new executive has no stake in past impact ratings or RTOs and can ask why a function is rated as it is. That challenge improves the BIA.
- **BCM as onboarding.** A briefing on the BIA shows a new leader which functions, systems, and vendors the institution depends on most. It is one of the fastest ways to learn the operation.
- **A documented risk appetite.** Re-approval of impact criteria and recovery objectives by the new executive produces a dated, signed record of management's tolerance, the kind of evidence of oversight the FFIEC expects (FFIEC BCM Booklet, 2019, Section II.A).
- **A new sponsor.** An executive who understands the program early is more likely to support it when resources are requested.

4. New product creation

A new product, such as instant payments, a digital account opening channel, or a new lending line, adds business functions that the last BIA never saw. It usually adds new systems and third parties as well.

Effect on the BCM program

- **Resilience belongs in the design.** The FFIEC says management "should consider resilience in business functions and the design of new products and services" (FFIEC BCM Booklet, 2019, Section II.A), and lists "New or reconfigured products, services, or infrastructure" as a maintenance trigger (Section VIII).
- **New-product approval should include BCM.** OCC guidance for national banks and federal savings associations calls for "Adequate due diligence and approvals before introducing a new activity" and "Effective change management for new activities or affected processes and technologies" (OCC Bulletin 2017-43). The BCM team's sign-off is a natural part of that approval. *Practice-based.*
- **Third-party delivery raises the stakes.** The same bulletin warns that "Inherent risk may be elevated when using turnkey and white label products or services." The new provider must be added to the third-party inventory with its own recovery commitments.
- **Customer expectations may be stricter.** A product marketed as always available, such as real-time payments, creates an impact of disruption that may be higher than for older products. *Practice-based.*

Effect on the next BIA cycle

- **Add the new business functions.** Each new process, such as onboarding, servicing, exception handling, and settlement, should be recorded as its own function with its own impact rating.

- **Don't wait for the annual cycle.** A product that launches between cycles should get a targeted BIA before go-live, consistent with NIST's guidance that "When a significant change occurs, the BIA should be updated" (NIST SP 800-34 Rev. 1, Section 3.6).
- **Re-examine existing functions that the product touches.** A new deposit product can raise the criticality of functions such as call center support, fraud monitoring, or general ledger reconciliation.
- **Rate impact on a forecast, then revisit it.** A new product has no volume history, so the first BIA must rely on business plan projections. Label them as projections and re-rate the function once actual volumes are known. *Practice-based.*

Challenge questions a banking-expert facilitator asks (*Practice-based*)

- If this product were down for four hours on a Friday afternoon, what would customers see, and what would the network or card rules require of us?
- Who performs this process at the vendor, and what happens to in-flight transactions if the vendor goes down?
- Is there any manual way to deliver this product, or is the only workaround to stop offering it?

The opportunity (*Practice-based*)

- **Resilience by design.** Building a workaround, alternate provider, or manual fallback into a product before launch avoids having to retrofit one after the first outage. This is the approach the FFIEC describes when it asks management to consider resilience in "the design of new products and services" (FFIEC BCM Booklet, 2019, Section II.A).
- **A seat at the product table.** Each new-product review that includes BCM shows business lines what the program contributes and makes the next invitation routine.
- **A model for the rest of the BIA.** A new function documented carefully from day one can serve as the example of a complete BIA record for other departments.

5. Business software application changes

Application changes happen continually and in every department. In BNP's experience, replacing a loan origination system, moving an application to software-as-a-service (SaaS), or retiring a departmental tool often never reaches the BCM team on its own. *Practice-based.*

Effect on the BCM program

- **Plans must follow the change.** The FFIEC says the business continuity plan should be "a living document, regularly updated so that it remains current with system enhancements and organizational changes" (FFIEC BCM Booklet, 2019, Section V). NIST says plans should be reviewed and updated "as part of the organization's change management process" (NIST SP 800-34 Rev. 1, Section 3.6).

- **Change management is the early warning.** The FFIEC expects "a consistent change management process throughout the entity" (FFIEC BCM Booklet, 2019, Section IV.A). If BCM is not a reviewer on application change requests, it will learn about changes at the next BIA or the next outage. *Practice-based.*
- **SaaS moves recovery to a vendor.** When an application moves to SaaS, recovery becomes a third-party commitment rather than an internal capability. The FFIEC lists "Changes in products and services offered by third-party service providers" as a maintenance trigger (FFIEC BCM Booklet, 2019, Section VIII).
- **Maintenance itself is a resilience topic.** The FFIEC's 2024 Development, Acquisition, and Maintenance booklet covers "the role of system and software maintenance in an entity's resilience" (Federal Reserve SR 24-6).

Effect on the next BIA cycle

- **Refresh the resource inventory first.** Examiners review "Hardware and software inventories" and "Third-party service providers and software vendor listings" (FFIEC BCM Booklet, 2019, Appendix A). Reconcile the BIA's resource list to IT's application inventory before interviews start. *Practice-based.*
- **Retire what is gone.** Applications that were decommissioned should be removed, and the functions that relied on them re-linked to their replacements. Orphaned records make interdependency reports unreadable.
- **Re-test the RTO against the application's real recovery time.** A function's RTO is only achievable if each application it depends on can be recovered within it, or a workaround covers the gap.
- **Look for hidden dependencies.** New applications often bring new integrations, such as single sign-on, file transfers, and APIs to other vendors, that the department may not know about. *Practice-based.*

Challenge questions a banking-expert facilitator asks (*Practice-based*)

- Last year you told us this function depended on the old application. What do you use now, and what did you stop using?
- If the new application is unavailable, can you still see the data you need to answer a customer, or does it only live in the vendor's cloud?
- Who at the vendor do you call, and does your contract say how fast they must restore service?

The opportunity (*Practice-based*)

- **A continuous BIA.** When BCM reviews change requests, each one becomes a small, timely BIA update. The annual cycle then confirms data rather than rediscovering it.
- **A cleaner inventory.** Every decommissioned application is a chance to remove records, re-link functions, and make interdependency reports easier to read.

- **Better vendor evidence.** A move to SaaS is the moment to obtain the vendor's recovery commitments and test results and attach them to the resource record, before the contract is signed.

The five changes at a glance

Each type of change affects a different part of the BIA, and calls for different timing, and offers a different opportunity. The timing and opportunity columns reflect BNP's practice (*Practice-based*); the guidance requires only that the BIA be updated when significant change occurs.

Type of change	BIA elements most affected	When to update the BIA	Focus of the next BIA cycle	The opportunity
Mergers and acquisitions	Business functions, resources, third parties, owners, recovery objectives	Targeted BIA at legal close; full BIA after systems conversion	One scale for impact and RTOs across the combined organization	Keep the better program, start clean data, rationalize vendors
Core system selection and conversion	Resources, interdependencies, RTOs and RPOs, workarounds	Use current BIA as a selection requirement; full refresh after go-live	Core vendor recovery commitments versus function RTOs	Contract for resilience, rehearse recovery during conversion
New executives	Impact criteria, risk appetite, governance roles, BIA approvers	Before the next BIA cycle begins	Re-approved impact criteria and recovery objectives	Fresh challenge to old ratings, a documented risk appetite, a new sponsor
New product creation	New business functions, third parties, impact of disruption	Targeted BIA before go-live; re-rate once volumes are known	New functions and the existing functions they raise in criticality	Resilience by design, a seat at the product table
Business software application changes	Resource inventory, interdependencies, application RTOs	Through change management as changes occur; reconcile each cycle	Reconciled inventory and achievable RTOs	A continuous BIA and a cleaner inventory

Building change triggers into the BCM program

The FFIEC expects BCM staff to keep in regular contact with business unit managers to learn how the business, structure, systems, software, hardware, staffing, or facilities are changing (FFIEC BCM Booklet, 2019, Section VIII). The steps below turn that expectation into routine, so that each change is caught early enough to be used as an opportunity rather than discovered as a gap. All are *Practice-based*.

1. **Put BCM on the approval list.** Add a BCM review to the new product committee, the IT change advisory board, vendor selection, and merger integration planning.

2. **Ask about change at the start of every BIA interview.** Before reviewing last year's data, the facilitator asks what changed in people, products, systems, and vendors. Answers set the scope of the interview.
3. **Keep a change log in the GRC database.** Record each organizational change, the BIA records it touched, and the date the BIA was updated. This is the "evidence substantiating periodic updates of the BIA" the FFIEC expects to see (FFIEC BCM Booklet, 2019, Section VIII).
4. **Run targeted BIAs between cycles.** Scope them to the functions and resources the change touched, then fold the results into the next full cycle.
5. **Report change-driven updates to the board.** The board's oversight role includes "Reviewing business continuity operating results and performance through management reporting" (FFIEC BCM Booklet, 2019, Section II.A). A short list of changes and the BIA updates they triggered gives directors that view.

Conclusion

Organizational change does not wait for the BIA calendar. Mergers reshape everything, core conversions replace the foundation, new executives reset the tolerance for risk, new products add functions, and application changes move dependencies quietly. Each also opens a door: a cleaner database, a stronger contract, a new sponsor, resilience built in from the start, or a BIA that stays current year-round. A BCM program that treats each change as a trigger for improvement, and a BIA facilitator who knows enough banking to ask what changed and why it matters, will keep recovery objectives tied to the institution as it actually operates today.

Sources

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4. Office of the Comptroller of the Currency, [OCC Bulletin 2017-43, New, Modified, or Expanded Bank Products and Services: Risk Management Principles](#), October 20, 2017.
5. Board of Governors of the Federal Reserve System, FDIC, and OCC, [Interagency Guidance on Third-Party Relationships: Risk Management](#), Federal Register Vol. 88, No. 111, June 9, 2023, pp. 37929–37935.

6. Board of Governors of the Federal Reserve System, [SR 24-6, FFIEC Information Technology Examination Handbook – Development, Acquisition, and Maintenance](#), August 29, 2024.

Statements marked *Practice-based* reflect BNP, Inc.'s experience facilitating BIAs for banks and credit unions and are not drawn from the sources above.