Calculating Financial Impact for the CJA Worksheet

This job aid provides a structured methodology for calculating the value for the “Financial Impact ($ / day)” cell in the Crown Jewel Identification worksheet. This metric helps for translating a technical or operational disruption into a quantifiable business impact that resonates with executive leadership and informs risk prioritization.

Templates

- Template - Crown Jewel Analysis - Clear

Core Principle

The "Financial Impact ($ / day)" figure is not derived from a simple spreadsheet formula. It is a composite financial estimate that must be determined through a collaborative workshop involving the CISO (or security team) and the relevant Business Owner of the asset. The Business Owner's input is critical, as they are best positioned to provide the necessary operational and financial data.

Equation

The value is calculated by summing the estimated daily costs across four key categories of loss. The conceptual equation is as follows:

Financial Impact ($ / day) = (A) Lost Revenue + (B) Productivity Losses + (C) Increased Expenses + (D) Fines & Penalties

Below is a detailed breakdown of how to calculate each component.

Component	Description	How to Calculate	Examples

(A) Lost Revenue	The direct loss of income the business would suffer for each day the asset is unavailable or compromised.	(Total Annual Revenue Dependent on Asset) / 365 days	• Lost sales from an e-commerce platform being down. • Inability to process incoming payments. • Delayed revenue collection from a billing system outage.
(B) Productivity Losses	The cost of idle staff and lost productivity when employees cannot perform their duties because a critical system is unavailable.	(Number of Affected Employees) x (Average Fully-Loaded Daily Salary) x (% of Productivity Lost)	• A sales team unable to access the CRM. • A finance team unable to process invoices. • A manufacturing team idled by an OT system failure.
(C) Increased Expenses	The additional, out-of-pocket costs the business would incur to maintain minimal operations during the disruption.	Sum of all estimated daily emergency operational costs.	• Overtime labor for manual workarounds. • Fees for outsourcing critical tasks to a third party. • Expediting costs for shipping or supplies.
(D) Fines & Penalties	The contractually obligated penalties or potential regulatory fines that could be levied on a daily or event basis due to the disruption.	Sum of potential daily fines and penalties.	• Penalties for failing to meet Service Level Agreements (SLAs) with customers. • Regulatory fines for non-compliance (e.g., GDPR, HIPAA). • Loss of contractual bonuses tied to performance or uptime.

Worked Example: "Customer Billing Platform"

Let's apply this equation to a “Customer Billing Platform”, which has a stated financial impact of $5,000,000 / day.

Here is the step-by-step calculation performed by the CFO (Business Owner) and the CISO:

- **Lost Revenue (A)**
  The company generates $1.5 billion in ARR, all of which is processed through this platform.

  $1,500,000,000 / 365 = $4,100,000 per day in revenue that cannot be processed

- **Productivity Losses (B)**
  The 100-person accounts receivable team is 100% unable to work without the platform. The average fully-loaded cost per employee is $500/day.

  100 employees x $500/day x 100% = $50,000 per day in idle staff costs

- **Increased Expenses (C)**: To handle critical enterprise payments during the outage, the company must use an emergency third-party payment processor that charges a premium.

    Estimated emergency processing fees = $150,000 per day

- **Fines & Penalties (D):** The company has SLAs with its top 10 enterprise clients that trigger significant penalties if billing is delayed by more than 24 hours.

    Estimated contractual penalties = $700,000 per day

Total Financial Impact ($ / day) = $4,100,000 + $50,000 + $150,000 + $700,000 = $5,000,000

This final figure is then entered into the worksheet. This process transforms an abstract risk into a concrete financial number, enabling a true, business-driven prioritization of security resources.

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