Not For Distribution

The Cost of Inaction

Why Waiting Increases Risk, Cost, and Impact

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This is Risk

The Institute of Internal Auditors
Chicago

ISACA
Chicago Chapter

Why Doing Nothing Actively Increases Risk

Inaction is often rationalized as:

MONITORING

WAITING FOR MORE DATA

ALIGNING STAKEHOLDERS

The Cost of Inaction (COI) Framework

Makes risk tradeoffs visible

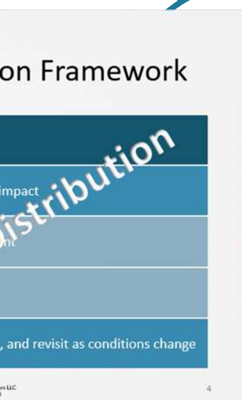
It does not end uncertainty, but it replaces vague concern with structured judgment

The goal is not precision math; it is decision math

The Cost of Inaction Framework

Define	Define the risk
Estimate	Estimate probability and impact
Price	Price preventive investment
Compare	Compare the tradeoffs
Decide	Decide, assign ownership, and revisit as conditions change

Inaction Breakdowns



- Diffusion
- Misaligned incentives
- Regulatory Signaling

The Cost of Waiting

Treating inaction as a measurable risk enables organizations to act sooner

Protect resilience	Sustain the trust of the stakeholders who depend on them

If leaders cannot explain the cost of waiting, they have already accepted it

When Inaction Is the Right Decision?

It is when waiting is a managed choice, not an avoidance tactic

Next Step:

Your Cost of Inaction Maturity Assessment

Are You Ready?

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Talk with Valerie

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Cost of Inaction Maturity Assessment
20-Minute Investment