The Cost of Inaction

An Employer's Guide

Managed IT | **Co-Managed IT** | **Cybersecurity**

ANDERSON TECHNOLOGIES

Why Ignoring Your MSP's Advice Could Mean
Losing More Than ROI

In business, every decision comes with a cost—including the decision not to decide. But what if we told you that doing nothing isn't actually saving you anything? In fact, it's probably costing you more than you realize.

Postpone and Pay the Price

As far as IT's concerned, many small business owners view inaction as a cost-saving measure; a way to defer expenses until they become "necessary."

In truth, when you choose inaction over investment, you're not maintaining the status quo. You're actively accepting increased risk, decreased efficiency, and potential vulnerabilities that could compromise your entire operation.

ANDERSON TECHNOLOGIES

Inaction in Action #1:

A Retailer's Costly Lesson

Picture the Scene

Imagine a high-end, family-owned retailer with multiple locations across the country. Despite having a sophisticated brick-and-mortar operation, they relied on personal Gmail accounts for data storage and sharing—a setup more suited to a hobby blog than a multi-location retail business.

Choosing Not to Act

When approached about implementing a professional Microsoft or Google Workspace environment, the response was clear: "We don't need that right now." The cost seemed unnecessary. The current system was "working fine." There were more pressing matters to attend to. **This decision—or rather, this indecision—would prove expensive.**

An Unexpected Departure

Just months later, two key employees left the company simultaneously. Because they had been using personal accounts, they took with them access to all critical documents and started deleting files.

The Result?

A month of productivity was sacrificed as the team scrambled to rebuild documents and reconstruct lost data. What would have been a simple off-boarding process with a professional system became a costly nightmare of reconstruction and lost opportunities.

ANDERSON TECHNOLOGIES

Doing Nothing:
By the Numbers

Average cost per hour of downtime:
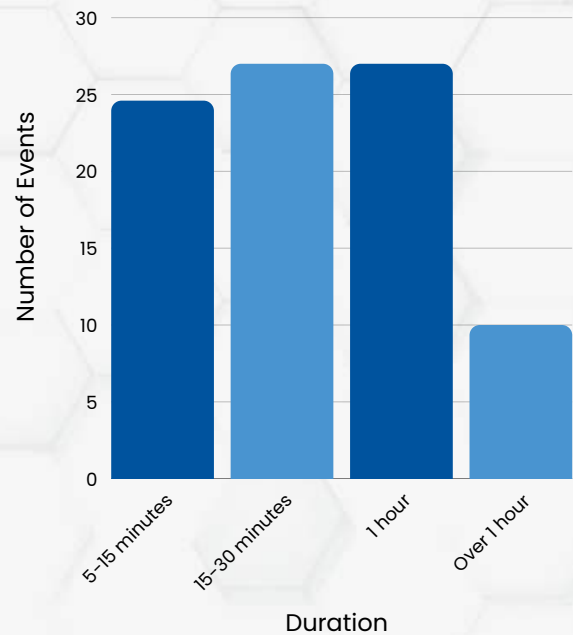
SMB Per-Hour Downtime Costs
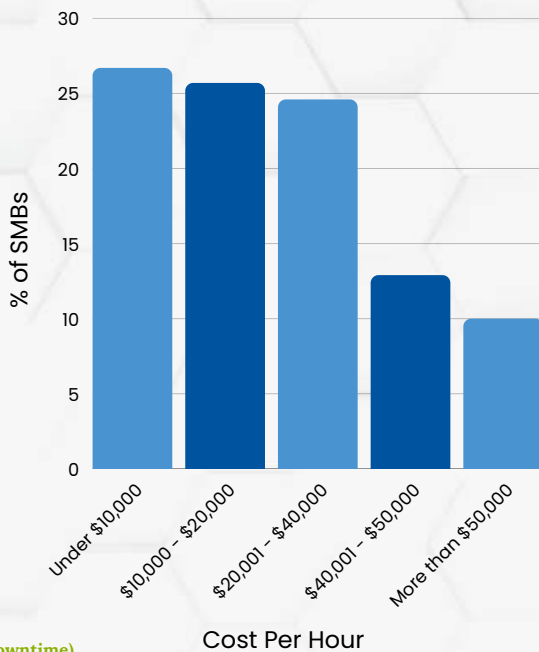
(Source: Downtime)

Average downtime faced by small businesses:

Typical Downtime Event Durations

Up to **24%** of server downtime is caused by outdated hardware. *(Statista)*

Businesses that face frequent downtime experience **16x** more financial loss than those that don't. *(Logic Monitor)*

58% of consumers would walk away from a business lacking suitable data protection measures. *(Forbes)*

75% of SMBs wouldn't survive more than one week after a ransomware attack. *(Tech Republic)*

Why Businesses Don't Take Action

The irony of IT cost avoidance is that it often stems from a desire to be fiscally responsible. Business owners, especially those managing smaller operations, feel they're making the prudent choice by postponing upgrades or choosing the cheapest available option.

But as the old adage goes, **"The bitterness of poor quality remains long after the sweetness of low price is forgotten."**

The False Economy of Cheaper Solutions

When companies choose a less expensive MSP or decide to postpone recommended updates, they're often buying into a false economy.

Lower prices typically mean a service provider is cutting corners somewhere—whether it's in response time, proactive maintenance, or the quality of their security measures.

We've seen it first-hand. After choosing a cheaper IT support provider, we've had prospects circle back to us because they've had enough of waiting weeks for responses to critical cybersecurity questions.

Their (now ex-) provider's excuse? They were "too busy with acquisitions" to properly serve their existing clients.

"Pay Less, Pay Twice"

Think of it this way: If you're spending less, odds are your provider is spending less too—less time, less care, and less attention on your business and its IT needs.

It's not just about the immediate savings; it's about the total cost of ownership. That includes the price of poor service, persistent issues, and eventually, the expense of switching to a better provider (the one you could have chosen in the first place).

Inaction in Action #2:

When "Later" Becomes "Too Late"

A Cautionary Tale

A senior care facility's story perfectly illustrates how postponing action can transform a manageable update into an emergency situation.

Their MSP had advised them to replace their aging firewall, even highlighting a vendor promotion that would make the upgrade more cost-effective if completed before the system reached end-of-life.

"We're Good for Now."

That's what the facility said. Their decision seemed economical - until the day the firewall simply wouldn't turn on.

Suddenly, the facility found itself without server access or internet connectivity. What would have been a planned, controlled upgrade became two days of operational disruption.

For a healthcare facility responsible for vulnerable seniors, this wasn't just an inconvenience. It was a potential crisis that affected everything from resident records to emergency response systems.

Cost Is a Universal Risk

The reality is that there's no such thing as a "small" IT crisis when you're a small business. Every minute of downtime affects your entire operation, from customer service to employee productivity.

While larger enterprises might have redundant systems and substantial resources to weather such storms, smaller organizations often find themselves completely paralyzed by technical failures. And, more often than not, these failures could have been prevented.

Putting It Into Perspective: Calculate Your Cost of Inaction

While the exact cost of IT inaction varies by business, you can quantify what it might mean for your organization.

IT Crisis

Cost of Inaction

Small Business

Downtime

Consider These Key Factors:

1. Lost Productivity and Revenue

How many minutes per day do your employees spend waiting for slow systems?

What does that amount to in a year?

If your server went down, how many billable hours would you lose?

What's the hourly cost of your entire staff being unable to work?

2. Hidden Operational Costs

How many potential orders go unfulfilled during system outages?

What's the cost of manually handling tasks that could be automated?

How much time do workarounds for inadequate systems waste daily?

3. Employee Satisfaction and Retention

How does poor technology affect employee morale?

What's the true cost of replacing an employee who leaves due to frustration with inadequate tools? Consider the time you'll lose to interviews and the price of benefits as well as hiring and onboarding costs.

How much productivity is lost while new hires get up to speed?

For Example,

Let's say a financial services firm with 12 employees loses an average of seven minutes per day, per employee. It's simply due to slow network performance—files that should open instantly are taking minutes to load.

While each incident seems minor, the cumulative effect is significant. The firm would be losing 1.4 hours of productivity a day. At an average billing rate of $150 per hour, with a team working 50 weeks a year,

that's **$4,375** in lost revenue per employee annually.

Total Loss = $52,500

Changing the Narrative:
A Success Story

Not every IT story has to end in crisis. Take the case of a business that chose to follow their MSP's advice—and likely prevented a catastrophic system failure as a result.

When Anderson Technologies identified critical vulnerabilities in one of our clients' aging server infrastructures, the company didn't hesitate. Instead of postponing the recommended upgrades, they took immediate action.

Just seven days after implementing the recommended changes, their original server experienced a critical failure. But, thanks to their proactive approach, what could have been a business-crippling disaster became a minor inconvenience.

- **Their data was secure**
- **Systems remained operational**
- **Business continued without interruption**

This success story illustrates a crucial point: The cost of proper IT maintenance isn't an expense—it's an investment in business continuity.

Key Takeaways

As we've explored throughout this guide, the decision to postpone IT investments or choose cheaper alternatives often leads to greater expenses in the long run.

Here are the critical lessons to consider:

1. Time Is Your Most Valuable Resource

- Every minute lost to technical issues is time you could spend growing your business

- System inefficiencies compound over time, creating a drain on productivity that's often invisible until it's calculated

- The time spent dealing with preventable IT crises is time stolen from strategic business initiatives

2. Expert Advice Has Real Value

- You sought out an MSP for their expertise—so make the most of that investment!

- When trusted providers warn you about potential issues, you know they're not just trying to sell you something; they're trying to protect you from something

- The cost of implementing solutions is almost always less than the cost of recovering from preventable failures

3. False Economies Lead to Real Expenses

Cheaper providers often can't afford to give your business the attention it needs

What you save in monthly fees, you'll likely pay many times over in reduced productivity and emergency repairs

The true cost of IT support includes not just the monthly fee but also the provider's ability to prevent and quickly resolve issues

The Bottom Line

Some business lessons are best learned through experience. IT disasters shouldn't be among them.

The cost of inaction isn't just financial; it's measured in lost opportunities, damaged reputations, and stunted growth. By taking a proactive approach to IT management, you're not just protecting your business from potential disasters—you're investing in its future success.

Ready to protect your business from the hidden costs of IT inaction?

Contact Anderson Technologies today for a comprehensive IT assessment and discover how we can help secure your business's future.

ANDERSON TECHNOLOGIES

The Cost of Inaction: An Employer's Guide
info@andersontech.com | andersontech.com
| 314.394.3001 | © 2025 Anderson Technologies