*Two types of costs that can easily be overlooked when making decisions are sunk costs and opportunity costs. A sunk cost is a cost that was incurred in the past. It cannot be recovered or changed regardless of any management decisions. An opportunity cost is the cost associated with not choosing one alternative over another, and it can be measured in monetary and nonmonetary means. For example, imagine that an organization hosted a 3-day retreat to promote team building, but it was unappreciated by the employees and caused more harm than good. Once the retreat was paid for and attended, it was a sunk cost, since the managers can never return to the past and change the fact the retreat happened. The opportunity costs in this situation could be that employees could have spent those 3 days more productively by completing a project, the funds for the retreat could have been utilized elsewhere (e.g., bonuses), or a more effective retreat or team-building exercise could have been booked instead. In this Discussion, you will consider an example of a sunk or opportunity cost and its impact on an organization.

\*\*\*\*\*INSTRUCTIONS\*\*\*
Please write about an American Organization

Consider an example from your professional career of either a sunk cost or an opportunity cost.

1. Describe an example of a sunk cost or opportunity cost from your current or past professional career, including why it would be either defined as a sunk cost or an opportunity cost.

2. Analyze the impact that this cost had on the organization, including how the main stakeholder(s) were affected by this situation.

3. With an understanding of sunk or opportunity costs, propose how you, as the manager, might address this scenario differently.*