



From Risk Protection to Value Creation

Introduction

Businesses in Kenya are navigating an increasingly volatile landscape escalating regional conflicts, shifting global economic power, technological advancement, and demographic change. The disruption is complex, presenting threats and strategic opportunities to drive growth.

Yet risk management across much of corporate Kenya remains anchored in a traditional, defensive posture focused on compliance, control, and loss avoidance. This model, built for a more stable era, is struggling to keep pace with the speed and interconnectedness of today's disruptions. The most competitive companies are not those that avoid risk, but those that understand, quantify, and price it better than their peers.

This is no longer a subtle distinction; it is a strategic imperative. Risk management must evolve from a protective function into a strategic growth driver. Standing still is not an option. Organisations must take the right risks, in the right way, to power growth.

Enterprise Risk Management

Enterprise Risk Management remains a standing board's agenda item, yet it is too often treated as a catalogue of potential dangers rather than a tool for strategic alignment. Leading businesses have moved past this. They are using ERM as a decision-making engine linking risk insights into strategy, investment decisions, and organisational performance. The question every board must confront is whether its existing framework is integrated, adaptive and sufficiently forward-looking to respond to the risks shaping the future, not merely record the ones already known.

Cybersecurity risk

Cybersecurity is one of the clearest examples of a rapidly evolving risk. Companies face advanced cyber threats, including state-sponsored attacks, compounded by skills shortages and fragmented systems. Managing cyber risk demands readiness investing in monitoring, testing, controls, and training before a crisis strikes. Reactive measures like remediation, litigation, and fines are costlier and unsustainable.

Third party risk

We are witnessing an expanded third-party ecosystem introducing novel risks across operational, financial, and compliance dimensions.

Interconnected supply chains, heightened regulatory scrutiny, and rising transparency expectations are reshaping this landscape. Global and regional conflicts are intensifying third-party exposure in Kenya, disrupting trade routes, increasing costs, and creating significant supply chain uncertainty.

With tightening sanctions and anti-money-laundering requirements, organisations must move beyond traditional due diligence, adopting risk intelligence and real-time monitoring. Building resilience, requires embedding enhanced due diligence, continuous monitoring, clear contracts, escalation paths, and regular reviews into their leadership strategies.

Sustainability risk

Sustainability risk encompasses the complex challenges arising from environmental, social, and ethical factors affecting business operations. These risks stem from climate change, regulatory pressures, social demands for ethical practices, and the consequences of corporate misconduct. Understanding and addressing sustainability risk is essential for companies to protect their

business models and operational viability, maintain stakeholder trust, ensure regulatory compliance, and remain competitive in an increasingly conscious marketplace. Companies that fail to manage these risks face significant threats to their brand reputation, customer loyalty, and legal standing.

Artificial Intelligence: Accelerating transformation responsibly

Artificial intelligence represents the most consequential frontier. AI is transforming industries but also introducing model performance failures, algorithmic bias, data privacy concerns, and regulatory uncertainty. Businesses must adopt proactive governance frameworks with clear policies, roles, and accountability. Critically, organisations that manage AI risk well do not slow down adoption; they accelerate it, build trust, scaling innovation, and enabling faster transformation.

Conclusion

The pattern across all these domains is consistent: risk is evolving faster, becoming more interdependent, and growing in impact. Yet the risks organisations face rarely stand in isolation connected risks demand a connected response. These same forces create powerful opportunities for those ready to reimagine their approach. Risk powers reinvention. It fuels intelligent decision-making, gives organisations the confidence to explore new business models, and opens new ways to navigate uncertainty and thrive.

How PwC can help

PwC partners with organisations across Kenya to reframe risk as a strategic enabler. You gain a partner who understands your goals, delivers outcomes aligned to your priorities, accelerates change with fresh thinking and technology, and supports the tough decisions that drive real opportunity. PwC's integrated risk services span:

- Enterprise risk management reviews and maturity assessments
- Assessment of the current lines of defence arrangements
- Design and implementation support to clients create or restructure existing control and compliance arrangements
- Regulatory and compliance reviews
- Board, senior management and staff risk workshops and trainings
- IT Risk Audit and Governance
- Enterprise Resource Planning (ERP) Controls Review
- Cybersecurity security strategy and transformation, offensive cybersecurity, incident management training, and awareness
- Actuarial, risk and data modelling
- Third party risk management reviews include onboarding, contracting, and monitoring.
- Net Zero Transformation, sustainability assurance and reporting, climate risk management
- Digital strategy and Intelligent automation

Authored by:

Edward Kerich: Partner and Consulting and Risk Services Leader, PwC Kenya

Leah Warau: Manager, Consulting and Risk Services, PwC Kenya

Bundi Njiru: Manager, Consulting and Risk Services, PwC Kenya

Karishma Shah: Manager, Consulting and Risk Services, PwC Kenya