ALN’s Risk Advisory Team Step Up to Protect People, Assets, Operations, Brands

It is accepted that the business environment in Africa carries a higher level of risk and challenge than in other parts of the world. Turning risk into opportunity, ALN’s multi-disciplinary team helps clients navigate the continued changes in regulation, governance and compliance.

“Non-profit organisations, development partners and private companies across Africa need to manage risk and prevent, detect, investigate and respond to incidents to protect their people, assets, operations and brand,” says Willie Oelofse who is ALN Kenya’s Director, Forensics, Risk & Compliance.

To this end, the Adili Corporate Services and the ALN Forensics, Risk & Compliance teams have partnered to support the insurance sector as well as family-owned businesses across Africa when it comes to managing their unique vulnerabilities.

Risk Advisory for Family-Owned Business

A small outfit with humble beginnings is often what comes to mind whenever one thinks of family businesses. However, the truth is that family businesses claim a significant share of the economy, not just in Kenya but across the African continent and globally. It is said that family businesses contribute a significant portion of global GDP and are the second-biggest employers globally, next to governments.

“In Kenya, and East Africa in general, the economy is significantly fueled by family businesses, which account for over 60% of total employment,” observes Willie. “Nine out of ten businesses in Kenya are family-owned, most are small, table-top enterprises with family members as the only employees.”

This trend is expected to continue on an upward trajectory into the future, with increasing government focus on catalysing private sector growth and entrepreneurship. This goes on to show just how much the economy depends on the continuity and success of family businesses.

The importance of setting up and operationalising a risk management framework or strategy for any business cannot be over-emphasised. Family businesses are no exception, especially given the unique risk culture observed in such a setup. Proper identification, assessment and control (treatment) of risks and their impact on the organisation and its key stakeholders is an essential part of any organisation. It is also a necessity for formulating an effective strategy for business continuity and growth.

“We understand the unique characteristics of family businesses. Purpose is at the centre of all that you do – driven by core values, strong vision, trust and legacy,” says Mona Doshi a Partner at ALN Kenya who also co-heads the firm’s private client law practice. “As trusted advisors, we help family businesses drive growth, capital,

and wealth potential while protecting the clients' legacy."

Adili Corporate Services and ALN Forensics, Risk & Compliance partner with family businesses to provide unique programs focusing on governance, risk and compliance, as well as building practical and strategic controls around prevention, detection and deterrence of enterprise risks. Some of these services include conducting internal audits, cybersecurity and data protection, as well as whistleblowing.

Risk Advisory for the Insurance Sector

The insurance sector is increasingly facing a variety of strategic risks that could undermine a company's value proposition and foundation. According to Willie, innovative technologies, and more complex regulations are among the changes impacting insurers and posing greater risks than ever before.

"It is important for insurers to develop strategies to proactively address risk management and compliance exposure and alignment to emerging risk management practices is key to survive the inevitable changes in the sector," says risk and compliance expert Willie.

Adili and ALN Forensics, Risk & Compliance are working across life insurance, general insurance, and reinsurance businesses, applying innovation, technology and consulting expertise to transform capabilities, improve profitability, and enhance return-on-equity and compliance. Their work is empowering M&A, divestitures, partnerships, and performance.

The multi-discipline team has acted for some of the most prominent clients, including a large insurance brokerage firm based in Kenya to assess the extent of fraud in the claims management process. This included investigating claims through the use of forensic technology to locate potential evidence and financial reconciliation to identify the customer accounts used to perpetrate the fraud and locating the key assets of the individual which were suspected to have been purchased through the proceeds of the fraud.

Due Diligence and Cross-Functional Support

The risk advisory team is also able to support ALN's transactional teams in Corporate M&A, Banking & Finance and Projects & Infrastructure in providing due diligence investigational support to target companies, businesses and key individuals to enable clients to identify key risks and potential areas of concern with any potential acquisition or financing before a deal is signed. The team is also able to take a helicopter view of the whole due diligence process across the relevant disciplines to identify threads or lines of enquiry which may not be obvious from an individual report.

The team's excellent knowledge and over 50 years combined experience working with insurance firms and family-owned businesses across Africa has cross-boarder clients choosing them for their diverse knowledge and expertise, network, and innovative approach to current challenges and opportunities.

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