



From volatility to resilience

Newsletter

From volatility to resilience: how to manage risk in Latin American businesses.

In Latin America, uncertainty is not the exception — it is the environment in which businesses operate. Persistent inflation, currency fluctuations, frequent regulatory changes and growing exposure to digital risks create a challenging landscape for medium-sized businesses across the region. However, this environment does not necessarily limit growth. On the contrary, organisations that can adapt and anticipate change can turn volatility into a competitive advantage. The key lies in moving from a constant reactive approach towards a comprehensive risk management strategy.

From permanent crisis to strategic resilience

For many years, businesses across Latin America have operated in “crisis mode”, making tactical decisions to solve immediate challenges. While this ability remains valuable, it is no longer enough.

The strongest organisations are building strategic resilience — anticipating external shocks, absorbing their impact and emerging stronger.

Resilience is not improvised. It is built through processes, tools and an organisational culture that integrates risk management into everyday decision-making.

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Our 43 representatives across Latin America form an integrated, collaborative and highly qualified network supporting clients across different markets and business environments.

This combination of local expertise and international integration allows us to deliver tailored solutions with high standards of quality and consistency. Our firms are available to support the business community by providing local insight, experience and agile responses to business challenges across Latin America and around the world.

Planning in inflationary economies

One of the greatest challenges is planning in inflationary environments. Traditional budgets can quickly become outdated, and profit margins may be eroded without active management.

Leading organisations are adopting practices such as:

- Dynamic budgets that are updated regularly
- Price and contract indexation where possible
- Sensitivity analysis to understand the impact of different inflationary scenarios

In addition, working capital management becomes increasingly critical. Reducing collection cycles, optimising inventory and negotiating terms with suppliers can make a significant difference to liquidity.

Foreign exchange management and risk mitigation

Currency volatility across the region adds an additional layer of complexity. Many businesses are exposed to foreign exchange risks without a clear strategy in place, which can lead to significant losses.

Some good practices include:

- Identifying and measuring actual foreign exchange exposure (both operational and financial)
- Using natural hedging strategies
- Assessing financial hedging instruments according to the size and sophistication of the business

Beyond specific tools, the key is ensuring that foreign exchange management moves from being reactive to becoming an integral part of financial planning.

Financial cybersecurity: a growing risk

Digital risk is no longer limited to large corporations. Medium-sized businesses are increasingly becoming targets for fraud and cyber attacks.

Financial cybersecurity should be approached holistically by:

- Strengthening payment and authorisation controls
- Training staff to identify threats
- Implementing protection and monitoring tools

A security breach can lead not only to financial losses but also to reputational damage and a loss of trust among clients and business partners.



Compliance as a tool for protecting business value

In environments characterised by regulatory uncertainty, compliance has evolved from a formal function into a strategic business pillar. It is no longer simply about meeting regulations — it is about protecting enterprise value.



A strong compliance approach includes:

- Identification and monitoring of regulatory risks
- Clear and up-to-date policies
- Reporting channels and a culture of integrity

In addition, an effective compliance system improves transparency, facilitates access to financing and strengthens relationships with investors and other stakeholder groups.

Turning uncertainty into opportunity

Risk management should not be viewed as a barrier to growth but as an enabler of it. Businesses that systemise these processes generally make more informed decisions, reduce negative surprises and are better positioned to identify opportunities.



Ultimately, in an environment where volatility appears to be structural, the difference lies not in avoiding risk — something impossible to achieve — but in managing it intelligently. Organisations that embrace this mindset will not simply survive uncertainty; they will grow through it.

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