

Global supply chain tariffs

What is your risk exposure?

Changes in trade policy are affecting the duty rates on thousands of goods and services imported and/or exported as new legislation is considered. This is having profound impact on companies' P&L, with potential to cause additional margin erosion and supply chain disruptions. Our outline guides you through a managed approach to assess these changes and offset the impact while optimizing alignment to your supply base.

Learn more

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Assess

Understand where and to what extent your supply chain and margin is affected.

- Collect import/export data for appropriate jurisdictions (for example, Mexico, Canada, EU, etc.)
- Segment and consolidate data as appropriate
- Analyze tariff impact relative to U.S. legislative and retaliatory actions
- Document potential impact on margin and determine the greatest areas of risk and financial impact



Strategize

Evaluate impact mitigation options to develop focused strategies to lessen the overall impact (for example, feasibility first, then prioritize by effort/benefit analysis).

- Optimize Harmonized Tariff Schedule class and/or apply for exemptions
- Review supply chain to optimize changes in country of origin for imports and exports
- Evaluate alternative intercompany pricing strategies
- Bring manufacturing in-house
- Re-engineer, and use value analysis and value engineering
- Customer segmentation and external price review
- Execute cost savings in other areas to offset impact

Document strategies, develop a prioritized plan, identify resources required, and prepare for execution.



Execute

Execute a managed approach to driving action. Confirm solutions are effective, risk is managed, and roadblocks are addressed quickly.

- Align the organization to support plans and change management
- Drive “heavy lifting” while managing unintended impacts
- Implement processes and metrics to sustain benefits
- Deploy processes and procedures for resiliency and visibility for proactive responses



Optimize

Revisit areas of lesser impact and drive further supply chain improvement to achieve the next level of benefit.

- Put a plan in place to execute on future improvement opportunities
- Monitor/develop change management activities/procedures
- Provide visibility throughout supply chain – consider impact from suppliers at various tiers of supply chain