



# Tariff Strategy & Advisory

*Unsure what new tariffs will mean for your business? We can help you understand the impacts and how you can respond effectively.*

With new tariffs and evolving trade policies, it's crucial to act swiftly and align your operations with the latest updates. Our global trade and supply chain experts provide guidance and strategies to help organizations assess, reduce, and recover from the financial impacts of these changes.

## TARIFF IMPACT ASSESSMENT

*We can perform an assessment to determine your organization's financial exposure to tariff impacts on finished goods, components, and raw materials imported into the U.S. market.*

## TARIFF EXPOSURE REDUCTION

*Based on the financial impacts identified during the assessment, we can help you prioritize mitigation and reduction activities, including strategies to reduce exposure on finished goods, components, and raw materials.*

## TARIFF RECOVERY

*We can identify opportunities to recover some of the financial burden from the imposed tariffs. Our focus will be on both recovering actual tariff costs via customers and other means, as well as recovering through additional cost reduction ideas.*

By taking a data-driven approach, our experts will help you prioritize your efforts to optimize the benefits.

## Tariff impact assessment

Our team will collaborate with trade lawyers to conduct a comprehensive tariff impact assessment.

### APPROACH

- Collect required data & documentation.
- Review & validate the accuracy of data elements:
  - › Bills of materials (BOMs)
  - › Country of origin
  - › Value-add content
  - › Harmonized Tariff Schedule (HTS) codes
  - › Contracts
- Complete exposure modeling & analysis to determine your financial exposure across your portfolio of finished goods, components, & raw materials.

### BENEFITS

- ✓ Understand where you have the most significant financial exposure to tariffs.
- ✓ Use assessment results to prioritize & focus mitigation efforts that will drive the greatest financial impact to finished goods, components, & raw materials.
- ✓ Potentially use documented impact in future customer recovery discussions & negotiations.



## Tariff exposure reduction and recovery opportunities

We can offer your team the following service capabilities to strengthen your organization's response to tariffs.

### EXPOSURE REDUCTION

- ✓ **HTS reclassification:** We help clients accurately classify their imported goods under the Harmonized Tariff Schedule (HTS) codes. Imports can often qualify for a more favorable tariff treatment, resulting in significant cost savings without physically altering the product.
- ✓ **Transfer pricing:** Review & reevaluate transfer pricing policies to help manage the impact of tariffs on intercompany cross-border transactions. We can identify which entity should bear the cost of the tariffs in the existing structure, analyze opportunities to reduce the price of goods in import transactions, or advise on supply chain realignment to move more functions, assets, & risks into the United States.
- ✓ **Alternative sourcing:** We can identify & evaluate cost-effective alternative sources to reduce reliance on suppliers in countries where the United States has imposed substantial import duties. We can help you explore new suppliers, production locations, & materials, while maintaining product quality & reducing or maintaining overall costs.
- ✓ **Tariff reengineering:** To reduce or eliminate tariff impact, we provide guidance on strategies to reimagine product design (functional adjustments, use of alternative materials, etc.) or manufacturing processes (e.g., shipping unassembled components versus finished goods).
- ✓ **Reshoring:** Our team can evaluate the feasibility of reshoring manufacturing to the United States — which could offer long-term, strategic tariff reduction for companies facing a significant duty increase on imported goods. We perform detailed cost-benefit analyses, assess infrastructure & workforce availability, & identify government incentives.
- ✓ **Make vs. buy:** We can assess whether it's more cost-effective to manufacture products in-house (make) or source them from external suppliers (buy), particularly when tariffs are a significant consideration.

### RECOVERY OPPORTUNITIES

- ✓ **Customer cost recovery:** We help clients strategize on methods to pass tariff burden to customers, through price adjustments or cost recovery mechanisms. We'll work with you to understand customer requirements & expectations, model the impact, develop the rationale, & produce supporting documentation.
- ✓ **Supply chain optimization:** By conducting an end-to-end assessment of your supply chain, we can identify critical inefficiencies & areas vulnerable to tariffs. Our custom strategies don't just reduce the financial burden of tariffs — they often lower the overall costs of goods through targeted inventory positioning & transportation savings.
- ✓ **Operations improvement:** We perform manufacturing assessments that focus on streamlining, standardizing, & automating operations. We'll reveal opportunities to reduce process waste & direct labor costs, improve equipment utilization, & increase throughput. These savings can offset the impact of tariffs, as well as enable you to absorb manufacturing currently performed in high-tariff regions into existing operations with more favorable tariff rates.
- ✓ **Facility footprint consolidation:** We identify opportunities to relocate or consolidate manufacturing & distribution facilities to strategic locations to help optimize labor, transportation, & overhead costs & offset the impact of tariff exposure.
- ✓ **Business process/workforce optimization:** Through process improvement & standardization, system upgrades, & workforce optimization, we can help you unlock substantial cost savings to offset tariff burden.
- ✓ **Tax credits & incentives:** We'll assist you in taking full advantage of federal & state tax credits, grants, & incentives, so that you can reduce operational costs, encourage investment, & support reshoring initiatives.

