



NAVIGATING TARIFF VOLATILITY

10 STRATEGIC TIPS TO STRENGTHEN YOUR SUPPLY CHAIN

Tariff volatility continues to challenge supply chain leaders, disrupting procurement plans and straining budgets. Successfully navigating these challenges requires a balanced approach that addresses immediate concerns while building resilience for the future. Here are ten strategic tips to help you adapt, optimize, and thrive despite ongoing uncertainty.

Short-Term Strategies:

1. Assess Direct Tariff Risks and Potential New Tariffs:

Stay vigilant by monitoring changes in tariff policies and assessing your exposure. Utilize real-time data and predictive analytics to pinpoint areas of concern and prioritize mitigation efforts.

2. Prioritize High-Impact Products for Mitigation:

Identify the products most affected by tariffs and take immediate steps to minimize financial impacts. Consider renegotiating supplier contracts, optimizing sourcing strategies, or finding alternative suppliers to reduce exposure.

3. Rethink Product Assortment and Prioritize High-Margin Products:

Streamline your product lineup by focusing on high-margin items that can better absorb tariff-related costs. Reducing SKU complexity not only helps control expenses but also boosts operational efficiency.

4. Leverage Data-Driven Insights for Better Visibility and Efficiency:

Use advanced analytics to enhance visibility across your supply chain. Data-driven insights can identify inefficiencies and uncover cost-saving opportunities to offset tariff impacts.

5. Optimize Trade Compliance to Lower Duties and Costs:

Review your compliance practices to ensure accurate tariff classification and duty calculations. Explore duty drawback programs and relevant free trade agreements to minimize costs associated with imported goods.

Long-Term Strategies:

6. Work to Influence Tariff Policies or Obtain Exemptions:

Partner with industry associations and advocacy groups to shape tariff-related discussions. Pursuing exemptions where applicable can provide lasting relief, especially when backed by thorough legal and compliance expertise.

7. Retire or Renovate Noncompetitive Products:

Evaluate your product portfolio and consider phasing out low-margin, high-risk products. Alternatively, explore product redesigns that use tariff-free materials or reduce overall costs, enhancing long-term competitiveness.

8. Expand U.S.-Based Manufacturing to Capitalize on Competitive Advantages:

Diversify your manufacturing footprint by investing in domestic production. This strategy not only minimizes tariff exposure but also strengthens supply chain resilience through localized manufacturing capabilities.

9. Build Resilient Supply Chain Strategies through Cross-Functional Teams and Strategic Supplier Relationships:

Encourage collaboration across procurement, operations, and finance to develop agile, integrated strategies. Strengthening relationships with key suppliers can improve flexibility and readiness to respond to market shifts.

10. Identify Cost-Saving Opportunities:

Adopt strategic sourcing and negotiation techniques to achieve long-term savings. Consolidating spend with preferred suppliers and securing volume discounts can significantly reduce procurement expenses over time.

Successfully navigating tariff volatility requires both immediate action and long-term planning. By addressing short-term challenges while building more resilient, agile systems for the future, your organization can turn today's uncertainty into a powerful strategic advantage.

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