

# Riveron

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CPE Webinar | March 27, 2025

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## Planning for Unpredictable Tariff & Trade Pressures



# Objectives for today's webinar

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## Awareness

What's happening around the globe

## Preparation

Assessing risk and scenario planning

## Action

Changing your business model  
and operations

## Management

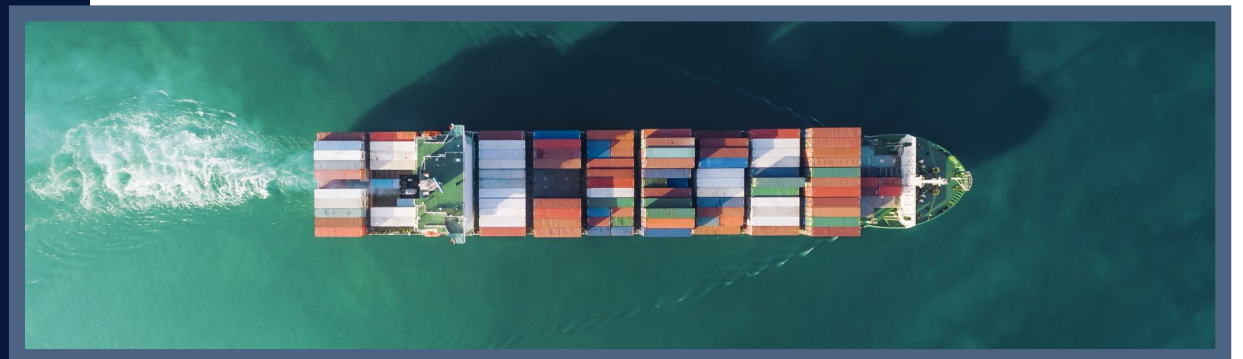
Evaluating impact while staying updated  
and nimble

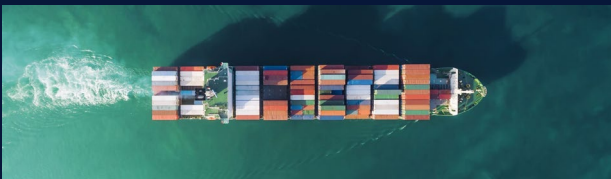
## Webinar Reminders

- During this session, 4 polling questions must be answered to obtain CPE
- Feel free to ask questions using Zoom Q&A
- On-demand video is not eligible for CPE
- Access resources, biographies, and other info at the bottom of your screen

### A follow-up email will include:

- CPE certificate & webinar evaluation form
- Access to today's recording and slides
- An opt-in to receive future webinar invites





# Your hosts for today's webinar

## Moderator

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**Michelle Laitinen**

Managing Director,  
Transaction Advisory  
Services

## Panelists

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**Adrian Sawczuk**

Managing Director,  
Supply Chain and  
Operations Practice  
Leader



**Sid Basu**

Managing Director,  
Business Performance  
Improvement, Strategy,  
and Transformation



**Ryan Gamble**

Senior Managing  
Director, Tax Practice  
Leader

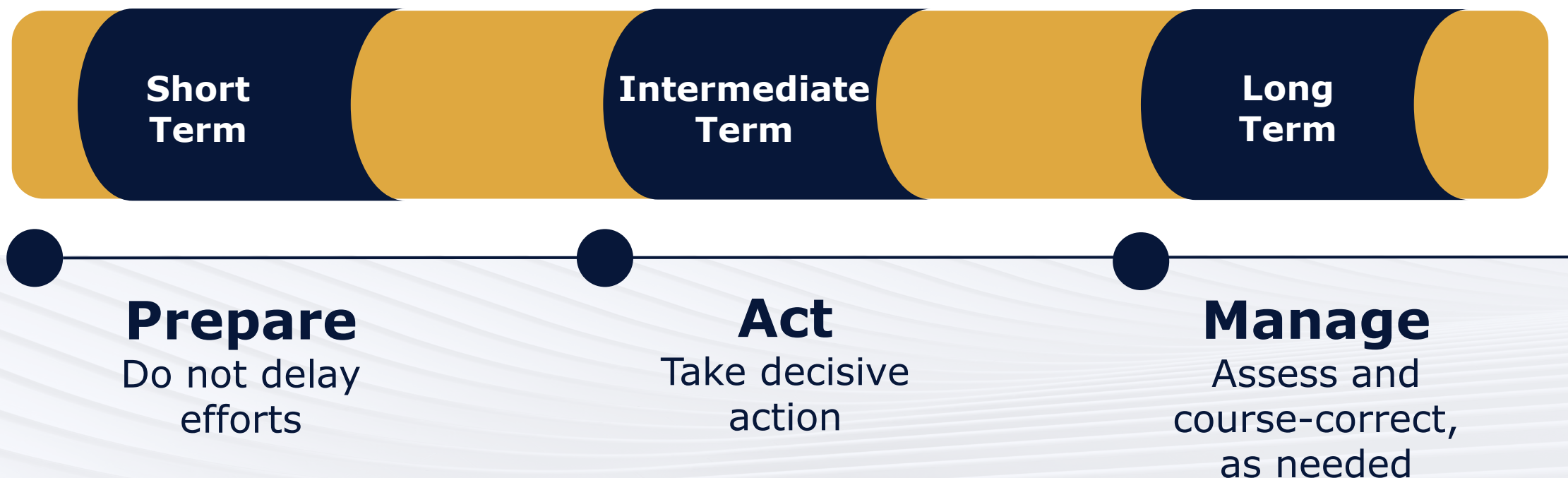


**Chad Fleeger**

Director, Supply Chain  
and Operations, Tariffs  
and Trade

# Planning for Unpredictable Tariff & Trade Pressures

A path to mitigate the effects of current and future tariffs





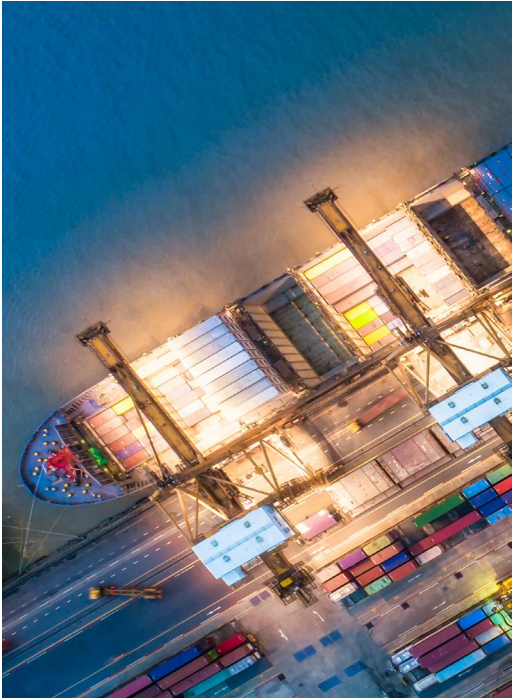


# AWARENESS

| What's happening in the world related to the US initiated tariffs

# Tariff and trade events

Highlights of tariffs that have been imposed					
Updated March 26, 2025 - subject to change					
Canada	Mexico	China	Global	Steel/Aluminum	Other
<ul style="list-style-type: none"> <li>25% on all products except energy at 10%</li> <li>Equal retaliatory tariffs</li> </ul>	<ul style="list-style-type: none"> <li>25% on all products</li> <li>Retaliatory tariffs have yet to be announced</li> </ul>	<ul style="list-style-type: none"> <li>20% on all products</li> <li>Retaliatory tariffs targeted on select agricultural products, ranging 10-15%</li> </ul>	<ul style="list-style-type: none"> <li>Effective April 2, “reciprocal tariffs will be applied on countries charging tariffs on US goods</li> <li>Effective April 3, US will apply 25% tariff on imported automobiles</li> </ul>	<ul style="list-style-type: none"> <li>Increased to 25% exclusions / exceptions removed</li> <li>Duty Drawback is no longer permitted</li> </ul>	<ul style="list-style-type: none"> <li>French / EU wine / champagne, ~200%</li> <li>25% on countries purchasing Venezuela oil</li> <li>India considering reducing auto tariffs</li> <li>US EU proactive mitigation discussions</li> </ul>
<ul style="list-style-type: none"> <li>Automotive sector granted a 30-day exemption**</li> <li>Qualifying USMCA goods are exempt</li> </ul>					
** Will end 4/3 – see global automotive tariff					



Event timeline . . .													
JAN 20	FEB 1	FEB 3	FEB 4	FEB 5	FEB 10	FEB 13	FEB 21	MAR 1	MAR 4	MAR 6	MAR 12	MAR 25	MAR 26
America First Trade Policy Memo	Tariffs on Canada, Mexico, and China	Tariffs on Canada, Mexico placed on Hold for 30 Days	Tariffs on China go into effect, end of duty-free pkgs. from China	Duty-free packages from China restored on a temporary basis	Worldwide 25% Import Tariffs on Steel and Aluminum (as of 3/12)	Reciprocal Trade and Tariffs Memo outlining Trump’s plan to counter nonreciprocal trading arrangements	(1) America First Investment Policy Memo; (2) Defending American Co’s and Innovators from Overseas Extortion and Unfair Fines and Penalties Memo; (3) Copper imports as national security threat	Timber and Lumber imports as national security threat	US Tariffs go into effect for Canada, Mexico, and higher tariffs for China	US exempts Mexico / Canada imports per USMCA rules of origin req’s	US Tariffs on steel and aluminum of 25% go into effect	Secondary tariffs (25%) on third countries importing Venezuelan Oil	US announces 25% tariff on imported cars and parts
	Canada retaliates with two rounds of tariffs		China retaliates with tariffs on US that go into effect on 2/10						China retaliates; Canada retaliates		EU retaliates; Canada retaliates		

# Companies are taking action

**Apple** commits \$500B over 4 years to expand US production

**Chipotle** will absorb tariff costs from Mexico and Canada without raising menu prices

**Walmart** asks Chinese suppliers for up to 10% price cuts to offset tariffs

**Nissan** may shift production from Mexico to the US or Asia to offset tariffs

**Alcoa** plans to reroute its Canada-made aluminum to Europe and redirect its Australian output to the US

**Siemens Energy** to raise prices as they pass on tariff costs to consumers

**Best Buy** warns of higher prices as they pass tariff costs to customers

**Hyundai & Kia** expediting shipments of vehicles/key components before new tariffs take effect on April 2


# POLLING QUESTION #1



**What do you think is the next major industry to be impacted by the trade wars?**

- A. Pharmaceuticals
- B. Aviation
- C. Chemicals
- D. Energy
- E. Other (Share your “Other” industry in the Q&A)



An aerial photograph of a large industrial facility, likely a warehouse or distribution center. The building has a bright yellow corrugated metal roof. To the right of the building is a paved parking lot where several semi-trucks are parked in a row. The trucks have yellow and white trailers. A white arrow on the pavement points towards the top right. The image is partially obscured by a dark blue header and footer, and a white text box on the left.

# PREPARATION | How should companies be thinking about scenario planning activities

## Short Term

# Prepare

Use a “What if” Mentality

Successful companies assess risk and analyze scenarios across multiple functional areas using digital twin technology and AI

### GLOBAL TRADE

- Understand tariff/regulation changes and translate impacts for the business
- Collaborate with business units on future global material flow changes
- Evaluate “quick-win” mitigation levers (HS code, valuation, country of origin)
- Analyze Automated Commercial Environment (ACE) data for a full picture of U.S. imports

### SUPPLY CHAIN

- Understand tariff risk exposure
- Engage with stakeholders – suppliers, customers, logistics partners
- Perform strategic feasibility to onshore/ nearshore operations and supply sources
- Determine strategies & levers to mitigate impacts
- Build a Digital Twin Model

### FINANCIAL & COMMERCIAL

- Assess customer and product profitability
- Assess at-risk customers/review reserves
- Review AR/AP strategies for cash flow
- Identify cost savings opportunities; consider Zero-Based Budgeting
- Analyze in-flight initiatives for investment impact and payback
- Assess global service delivery model
- Prepare short/mid-term cash flow forecasts

### TAX

- Update global cash tax forecast and models with most recent tax data
- Evaluate existing transfer pricing arrangements and update as needed
- Assess offshore cash balances, current tax attributes and net operating losses
- In coordination with other corporate stakeholders, engage local country expertise in relevant jurisdictions

# POLLING QUESTION # 2

**What level of scenario planning has your company done?**

- A. Extensive
- B. Moderate
- C. Nominal
- D. None - We are in denial







# ACTION | How to pivot from scenario analysis into execution



## Intermediate Term

# Act

Reduce cost and risk exposure

Successful companies take decisive action when needed with consideration and coordination of other functional areas

## GLOBAL TRADE

- Apply for product exclusions, where permitted
- Coordinate with brokers/forwarders to stay compliant
- Submit Customs ruling requests and claims to capture value
- Implement duty deferral, recovery, and avoidance strategies

## SUPPLY CHAIN

- Execute inventory actions – buffer stock, bonded warehouses/FTZ, forecasting
- Diversify sourcing -- identify / use new suppliers or alternative locations
- Modify supplier agreements to absorb tariff related costs
- Shift manufacturing – rebalance existing capacity or new capacity (i.e. onshore, near shore)

## FINANCIAL & COMMERCIAL

- Implement cost reduction initiatives
- Implement CPM/Scenario Analysis tool
- Strengthen data models and infrastructure
- Update customer agreements to pass through tariff related costs
- Automate routine transactional activities

## TAX

- Collaborate with trade and supply chain teams to model supply chain or corporate structural changes
- Analyze tax and cash impacts of jurisdictional changes
- Evaluate cash repatriation costs and transfer pricing adjustments



# POLLING QUESTION # 3



**How much of your supply chain is impacted by the new tariffs?**

- A. > 75%
- B. 50% - 75%
- C. 25% - 50%
- D. < 25%
- E. No impact



# MANAGEMENT | Monitoring the impact of mitigation efforts



Long Term

# Manage

Remain agile and re-evaluate

Successful companies stay abreast of the latest situation in order to perform sensitivity studies on strategy and operational impacts

## GLOBAL TRADE

- Advocate for policy changes through industry groups or directly
- Monitor geopolitical shifts and tariff changes; communicate updates internally
- Lead strategy efforts to strengthen supply chain resilience and agility
- Analyze ACE data regularly to track duty spend and monitor material flows

## SUPPLY CHAIN

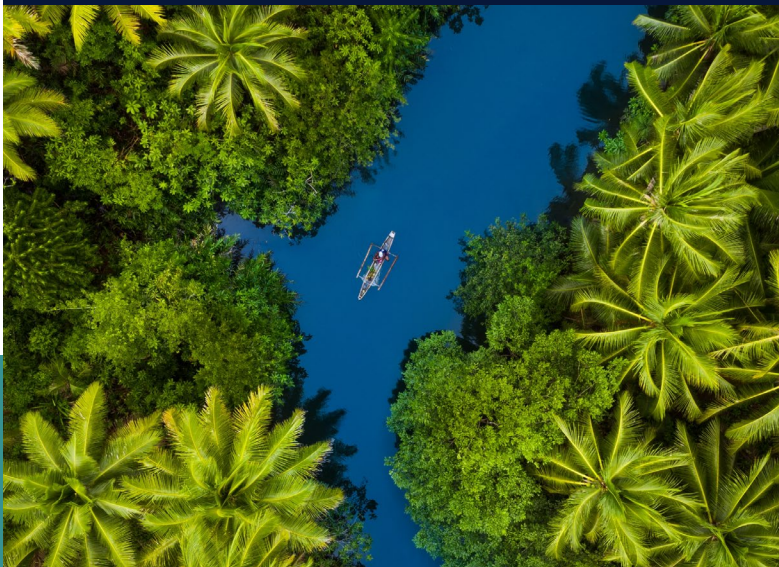
- Refresh to digital twin model with latest business and operational environment, including external factors using AI
- Evaluate the impact of implemented changes
- Partner with business units to understand and shape the marketplace strategies through 2026
- Invest in additional supply chain visibility tools

## FINANCIAL & COMMERCIAL

- Stay close to your customers
- Continuously monitor competitor actions
- Develop robust Sales & Operations Plans
- Upskill Finance talent to act as true business partners

## TAX

- Model global income and other taxes regularly
- Review transfer pricing and optimize income/loss positioning
- Reassess global structure as impacts stabilize
- Track tax and tariff changes to anticipate structural adjustments





# POLLING QUESTION # 4

**What concerns you the most about the new tariff policy?**

- A. Losing customers/clients due to cascading costs
- B. Inability to source domestic, economical alternatives
- C. Greater repercussions of trade war
- D. All of the above


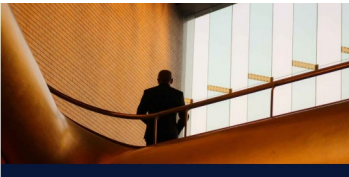

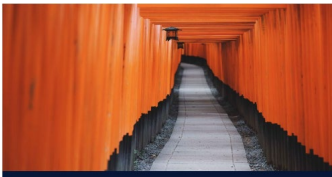


# Thank you for joining today's webinar!

## Q&A and Related Resources

**Riveron** is a leading business advisory firm. We partner with the office of the CFO, private equity, and other capital providers to elevate performance across the transaction and business lifecycle.

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 <p><b>Insights</b> <b>5 Trends Shaping Manufacturing in the Year Ahead</b></p> <p>Amid rising pressures related to trade policies, technology advancements, and other factors, manufacturing CFOs and supply chain leaders will need to plan carefully for the year ahead.</p> <p>Lotfi Marolzy, Adrian Sawczuk, Chad Fleeger</p>	 <p><b>Insights</b> <b>Revamping Your Legacy ERP: Modernization Strategies for Success</b></p> <p>This article first appeared in CXOToday. In India and other markets, transitioning from traditional technologies to modern ERP solutions helps companies drive automation, innovation, and scalability.</p> <p>Rajesh Pawar</p>	 <p><b>Insights</b> <b>Readying Your Business for Tariff Impacts in 2025 and Beyond</b></p> <p>Finance, operations, and supply chain leaders are positioning for success in 2025 by anticipating a dynamic global trade environment shaped by tariffs.</p> <p>Chad Fleeger, Adrian Sawczuk, Ryan Gamble, Drew Niehaus</p>	 <p><b>Insights</b> <b>How AI Can Enable Strategic Decision-Making in Sales and Marketing</b></p> <p>To effectively transform Sales and Marketing, AI will enhance human expertise rather than replace it.</p> <p>Vanaja Kesary</p>
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