



# Positioning Your Organization for Success in the **Tariff Economy of 2025** and Beyond



## Background:

In light of President-elect Trump's intentions to implement tariffs on imports from Canada, Mexico, and China, with specific rates of 25% for North American countries and 35% for Chinese imports, organizations must proactively prepare for potential impacts on their operations, market positioning, and overall profitability. The lasting effects of previous tariff policies maintained or enhanced during the Biden administration emphasize the urgency for organizations to strategize and respond well in advance of the official policy implementation.



**Ducker Carlisle is conducting a survey** of executives in the industrial, automotive, construction, agriculture etc. industries to assess anticipated tariff exposure and planned actions to mitigate impacts. **To participate, please click below.** Participation in the survey will secure a free version of the results. All responses will be unattributed to individuals / organizations.

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## Assess Risk Level:

To effectively gauge the impact of tariffs on your organization, in-depth understanding of your supply chain and cost structures is indispensable. Mapping out the origin of goods, including finished products, components, and raw materials from affected countries, is crucial in evaluating risk exposure and devising appropriate mitigating strategies. Additionally, anticipating customer responses to potential price adjustments based on tariff-related cost changes is essential for effective risk management and pricing strategies.

### KEY ACTIVITIES:

- Assess first level procurement spend by region to analyze direct impacts
- Survey or analyze main supplier sources to understand potential secondary risk
- Potential inventory build up to provide temporary protection during resourcing
- Evaluate manufacturing allocation by factory to minimize impacts
- Evaluate price adjustments necessary to compensate for tariff impact
- Assess likely reactions to price changes by product line and customer segment

## Assess Competitors' Potential Impact:

Apart from analyzing your own susceptibility to tariff impacts, understanding how other market players may be affected is equally significant. Organizations' own tariff exposure compared to peers will dictate the level of risk or opportunity generated in the tariff economy. This analysis will guide strategic decisions on profitability, market share retention, and mitigation practices.

### KEY ACTIVITIES:

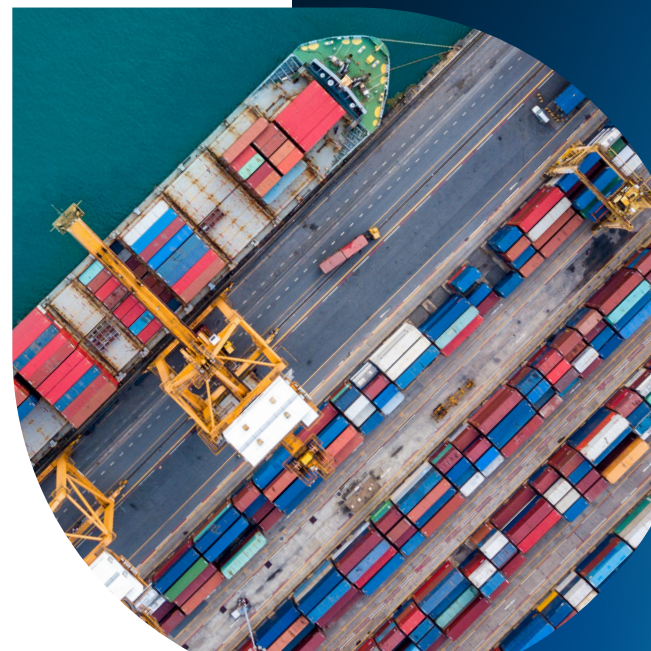
- Assess key competitors' supply chain exposure to tariffs
- Assess likelihood and timing of price adjustments by competitors
- Evaluate fixed manufacturing costs and understand volume impacts
- Monitor the market for demand shifts and competitor price actions in near real-time

## Position Your Organization:

In navigating the tariff economy, organizations can focus on sourcing adjustments and pricing strategies as primary avenues to adapt and thrive. Evaluating sourcing diversification, stockpiling critical products, modifying pricing structures, and negotiating with suppliers are crucial actions that can help mitigate adverse effects and capitalize on emerging opportunities.

### KEY ACTIVITIES:

- Segment products based on sourcing risks and strategic importance
- Identify alternative suppliers in non-tariffed regions and develop conversion plan
- Identify candidates for tariff exclusion process and generate applications
- Product assessment and redesign to adapt for regional sourcing or assembly
- Evaluate buffer stock of critical components and associated carrying costs
- Promote customer stock up in advance of potential tariff application
- Adjust prices tailored to competitive landscape, consumer dynamics, and margin- or share-centric strategic priorities
- Determine optimal pricing levers to minimize market resistance



# Conclusion:

Acting promptly on risk assessment, mitigation strategies, and pricing optimizations can position your organization for resilience in the evolving tariff economy of 2025 and beyond. Proactive adaptation to tariff impacts will be imperative to navigate challenges and seize opportunities in the dynamic global trade landscape.

Leverage Ducker Carlisle's expertise to support your organization's tariff response efforts:

- **Portfolio sourcing assessment to identify at-risk product lines**
- **Tariff exclusion opportunity identification and application support**
- **Competitor supply chain research and real-time market price monitoring**
- **Customer price sensitivity assessment and strategic scenario development**
- **Optimize pricing across multiple product lines to capture hidden margin opportunities to offset tariff impacts.**

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## About Ducker Carlisle

Founded in 1961, Ducker Carlisle is a global market research, strategy consulting, and M&A Advisory firm that delivers custom, industry-centric solutions which improve client performance and enable business growth across complex markets.

We accompany our client at every step of their supply chain journey, from market research to strategy, process design, system implementation, change management and market communication.

Our knowledge of supply chain industry best practices, access to industry-benchmarked performance standards across all operational metrics, ability to execute boots-on-the-ground change management, and deep knowledge of supply chain and logistics software position us as a unique partner to unlock the value of resiliency to and safeguard your firm's key fulfillment network investments.

Refer to [www.duckercarlisle.com](http://www.duckercarlisle.com) for more thought leadership content and questions regarding pricing initiatives, assessments, and full-time engagements for your organization.

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