CFO Leadership Council

a Chief Executive Group community



Tariffs

CFO TOOLKIT

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CFO FLASH BRIEF
Tariffs

Tariffs in Motion: CFO Peer Insights

Tariffs are shifting fast and our members aren't facing them alone. Through **CFO Connect,** our members-only forum, finance leaders are actively sharing strategies, solving challenges, and supporting each other in real time. Below are the recent responses to a member's post looking for Tariff advice.

Click to explore the full benefits of membership.

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1. **Request Tariff Receipts from Shippers**
   - Increase transparency and validate charges.
   - Helps address inconsistent import classification codes.

2. **Implement Dual Strategy: Price Increases + Surcharges**
   - Price increase applied to more stable, known tariffs (e.g., 27.5% total — 20% from Feb/March hikes).
   - Surcharge used for reciprocal and retaliatory tariffs, which fluctuate and can be adjusted dynamically.
   - Goal: Flexibility and transparency while hoping for future rollback or reductions.

3. **Avoid Price Adjustments in Highly Sensitive Markets**
   - In industries with high price elasticity (e.g., appliances, automotive), surcharges or increases may significantly impact sales volume or breach customer T&Cs.

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4. Shift Supply Chain to Lower-Tariff Countries
- Move final assembly or sourcing from China to Vietnam, Mexico, or other lower-risk countries.

5. Leverage Favorable Sourcing as Competitive Edge
- For companies primarily sourcing from North America, avoid increases and use it to strengthen positioning with customers.

6. "Made in China, for China" Strategy
- Maintain local production within China for products sold there to sidestep international tariffs.

7. Pause Major Supply Chain Changes for 60–90 Days
- Due to volatile policy environment, hold off on rapid relocations unless absolutely necessary.

8. Proactively Communicate with Customers
- Issue notices about monitoring tariff impacts.
- Expect and prepare for pushback, particularly from customers with strict T&Cs (e.g., automotive).

9. Foster Peer Collaboration (e.g., CFOLC Chat Board)
- Create shared space to exchange strategies, updates, and challenges in real time.

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Taking Action in the Face of Uncertainty

TARIFF IMPACT

The U.S. administration's intention with tariffs is unclear, which leaves room for many possible outcomes and requires companies to focus on immediate mitigation actions

Tariffs as a negotiating tactic (temporary)

∞

Range of possible outcomes

..... Tariffs removed from all countries but China | Establish more Free Trade Agreements | Compliance with and expansion of USMCA | 'True' reciprocal tariffs .....

Tariffs as a protectionist measure (permanent)

What should you do in this uncertain environment?

Immediate Action	Immediate Action	Medium Term	Long-Term
Establish War Room – data and decision making clarity	Implement 'no regret' and "no alternative" actions	Strategic sourcing – optimize footprint	Manufacturing footprint optimization

IMMEDIATE MITIGATION STRATEGY

Immediate action | Despite tariff end state uncertainty there are actions we can or must take right now

01 Set up a 'tariff war room'
- Map dynamic tariff exposure by part number / supplier / country
- Link TCO model to product BOMs, roll up by product / BU / Customer
- Dedicated PMO resources; cross functional leadership to make decisions

Tariff War Room for visibility

02 Focus on Cash Preservation
- Quantify impact of tariffs on cash position (working capital, inventory etc.)
- Focus on reducing discretionary spend, G&A optimization, headcount expenses
- Maintain extra liquidity until steady state tariff ecosystem is reached

Liquidity Management

03 Optimize existing supply chain
- Leverage duty engineering
- Engage incumbent suppliers: price reductions; mitigate shortage risks
- Re-balance volumes across existing supply & manufacturing locations

'No Regret' Levers

04 Execute effective pricing strategy
- Pricing strategy to consider tariff impact, price elasticity, macro-economic developments and competitor response
- Explore opportunity to pass all or portion of tariff burden to customer

Pricing To Market Situation

**Excerpts from a recent AlixPartners presentation on tariffs*

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Built for CFOs. Backed by Peers.

The CFO Leadership Council delivers a wide range of programs tailored to the evolving needs of today's finance leaders.

From rapid-response sessions on events like the COVID-19 lockdown, Silicon Valley banking crisis, and tariff shifts, to ongoing educational opportunities, our offerings keep members informed, connected, and empowered.

Learn More Today

Recording



Tariffs Webinar:
Get practical insights on how finance leaders are using technology to navigate tariff volatility, reduce risk, and drive smarter decision-making.

Click Here for Recording
**Complimentary Access for all Finance Leaders*

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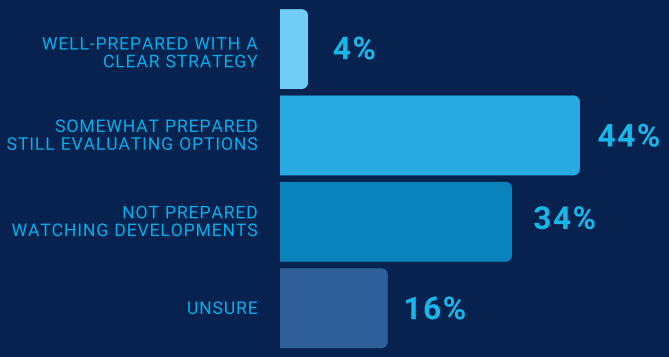
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Benchmark Your Strategy: How your Peers are Responding

Tariffs continue to create uncertainty, but you're not alone in navigating the impact. To help you benchmark your approach and uncover how others are responding, we polled senior finance leaders during our recent webcast discussion.

Polls were taken live during the webinar. (Recording available on previous page.)

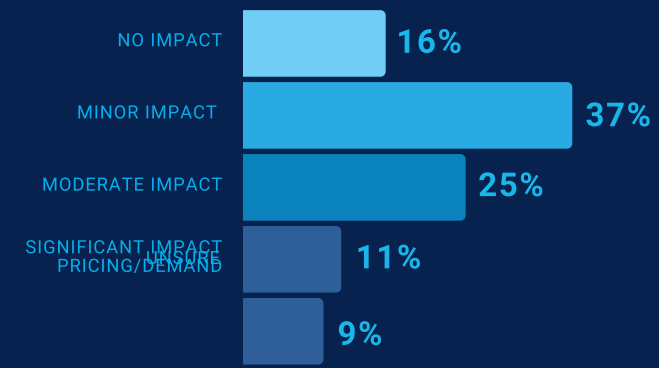
Q1: HOW PREPARED IS YOUR COMPANY FOR POTENTIAL FUTURE TARIFF CHANGES?



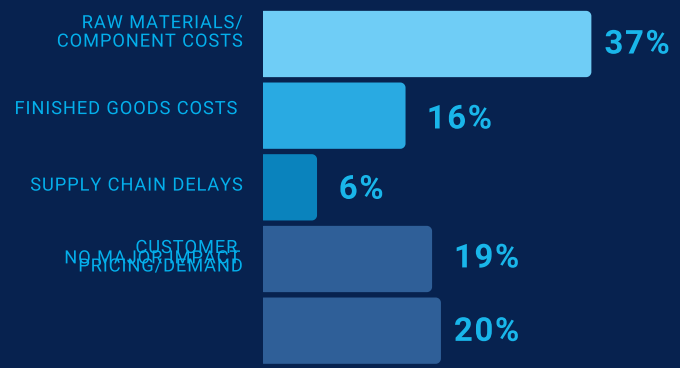
Q2: WHAT HAS BEEN YOUR COMPANY'S PRIMARY RESPONSE TO RECENT TARIFFS?



Q3: HOW SIGNIFICANTLY HAVE TARIFFS IMPACTED YOUR BUSINESS IN THE PAST 3 MONTHS?



Q4: WHICH AREA OF YOUR BUSINESS HAS BEEN MOST AFFECTED BY TARIFFS?



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