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Short- and Long-Term Strategies for Weathering the Tariffs

By [Anna Bianca Roach](#) April 28, 2025

The past few weeks have seen chaos in international markets as companies on both sides of U.S. borders scramble to react to a dizzying pace of [news regarding tariffs](#). After stocks [plummeted](#) on April 2, President **Donald Trump** [introduced](#) a 90-day pause for most of them — but a universal 10% baseline tariff is already in effect, as is a 145% tariff on China.

"It's good that those have been put on pause — but they're only on pause, they're not gone," said **Steve Dubuc**, a partner at **AlixPartners**, during a recent webcast. "Even with those out, the rest of this page is pretty grim," he added, especially because of how impossible it is to predict the outcome.

To avoid being paralyzed by the uncertainty, directors should encourage management to set up [so-called war rooms](#) to gather data and review the company's supply chain in detail. The review should focus on identifying which parts are most critical and which parts could perhaps be replaced, shifted, onshored or supplemented.

In the short term, companies should consider bringing into the U.S. as much of their products or materials as possible and get clear on the risks they run in different potential scenarios, sources said. In the longer term, companies can set themselves up for success by turning their attention to their plans for mergers and acquisitions, as well as doubling down on their waste reduction and recycling efforts.

"Multiple geographies will have multiple ripple effects in their supply chain," said **Kamal Ahluwalia**, the CEO of supply chain risk management company **Resilinc**. It's clear that tariffs on China will be the "centerpiece" of the administration's tariff plan, he said, and one reaction could be to try and move manufacturing to India. But, in making that decision, companies should also consider the potential for tariffs to be levied in India, as well as the fact that other countries have also been shifting their supply chains there.

"Everything is in flux," Ahluwalia said.

These are considerations that boards have had for years. Companies had to abruptly shore up the resiliency of their supply chains at the onset of the Covid pandemic. More recently, companies have focused on [extreme weather patterns](#) to understand which parts of their supply chains are most likely to be impacted and how they might adapt.

Something that complicates this process is the new administration's [drastic approach to foreign policy](#): The now-paused "Liberation Day" tariffs were to include a [25% tariff on Canada](#), a long-term U.S. ally and significant trade partner, while Russia is [excluded](#) from even the currently effective 10% baseline tariff.

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Ahluwalia said some of Resilinc's clients have been reckoning with this shift by closely reviewing trade treaties with longtime allies, like the U.S.-Mexico-Canada [agreement](#), to see which products they concern and whether they carve out any tariff exemptions that could help their companies make these decisions.

To reduce the burden of tariffs, now and in the future, companies should examine their supply chain for activities that can be easily and quickly moved to the U.S. That includes intellectual property, Ahluwalia said. Separating IP from actual hardware, and bringing the IP work over to the U.S., could be one of the most immediately actionable shifts to reduce costs.

There will likely be a wave of consolidation, Ahluwalia said, as smaller companies that don't have the resources to accommodate the increased costs from tariffs shut down and get bought up by larger companies trying to build out their domestic operations. To prepare for that, companies should identify the most critical parts of their supply chain. That means identifying the products that are most unique to them and the specific materials that make them so.

Another option to de-risk supply chains is finding ways to reduce their reliance on primary resources, which could well build on companies' [sustainability efforts](#) related to waste. "The circular economy started as an environmental initiative and has, in recent years, become a de-risking option for supply chains," said **Patrick Reynolds**, a partner at **Boyden**.

Indeed, the idea of reducing overall resource use and prioritizing recycled materials has [long](#) been part of supply chain strategies, for instance, to reduce reliance on critical minerals coming from China.

Part of the equation is savings — reused and recycled materials can often be less expensive than primary resources, Reynolds said. But the main reason why many major companies, from **Apple** to **H&M** to **Ikea**, have invested in things like [trade-in programs](#) is to increase the flexibility and resiliency of their supply chains.

"Logically, this trend will continue, and further investments in the circular economy to provide supply chain options and resiliency will grow in the coming years," Reynolds said.