

# Swiftly Adapt to Shifting Global Trade Policy

Coupa Tariff Impact Planning



## Tariffs will change global trade flows and impact business profitability

Global trade is becoming increasingly unpredictable, and businesses are under growing pressure to navigate the complexities of tariffs and their cascading effects on supply chains. According to the [Conference Board](#), over 50% of CEOs have identified trade wars as the leading geopolitical risk for 2025, which means organizations operating internationally must prepare for the significant impact tariffs will have on their bottom line. Price increases will affect the entire supply chain, from sourcing to manufacturing to distribution. The dynamic nature of tariffs makes it difficult for businesses to predict their full impact, requiring continual reassessment of strategies to protect profitability and ensure financial stability. This means decisions made now are critical to maintaining a competitive edge.

# 71%

of Supply Chain Leaders are upgrading their capabilities to respond to tariffs, according to the Conference Board.

**Tariff Impact Planning**, as part of Coupa's Supply Chain Solutions powered by Llamasoft, enables businesses like yours to model, optimize, and respond dynamically to shifting tariff policies, ensuring profitability and competitiveness in an uncertain global market.

## Planning for tariffs requires a dedicated network design strategy

Tariffs will impact different businesses in different ways, depending on the country, product type, and trade relationship. Coupa's supply chain modeling solutions give businesses like yours the confidence to navigate all types of scenarios including:

### Value-Added Activities and Duty Drawbacks:

**Complexity:** Tariffs may be applied differently depending on where in the supply chain value is added. If goods are re-exported, or if a product undergoes additional processing or assembly, companies might qualify for duty drawbacks, which are refunds of tariffs already paid.

**Solution:** Coupa helps you design a system to track how goods move through the supply chain so you can understand where duty drawbacks can be claimed.

## Multiple Tariff Impositions:

**Complexity:** Tariffs can impact different types of products at different points in the supply chain. If materials are imported and then exported to another location for further processing, they may be subject to multiple taxes.

**Solution:** With Coupa, you can evaluate the cumulative impact of tariffs across all stages of the supply chain. For example, a tariff on raw materials might increase input costs, which may require you to diversify your raw materials sourcing. At the semi-finished goods stage, tariffs might increase manufacturing costs, which may prompt you to consider reshoring production. Finally, tariffs on finished goods increase the cost of goods sold, which impacts pricing strategies and market competitiveness.




## Customer Pricing and Market Access:

**Complexity:** It might be tempting to pass on increased costs to customers to protect profit margins. But this can reduce demand and the competitiveness of goods in certain markets.

**Solution:** Coupa helps your company improve its supply chain design to not only help mitigate tariff costs, but also to evaluate scenarios to decide the best action for increased costs that do occur.

## Take a proactive approach with Integrated Scenario Planning to ensure business success

*Conduct a comprehensive analysis to achieve a tariff-optimized supply chain strategy in one seamless flow*

-  **1) Define your current network**  
Build a comprehensive model of your current supply chain, excluding tariffs. This gives you a clear picture of your existing operations, including sourcing, production, and distribution. The baseline model highlights cost, capacity, and efficiency, setting the stage for tariff impact analysis.
-  **2) Assess future tariff implications**  
Examine how tariffs apply to different product categories and regions. Identify which products and markets are most vulnerable and the overall effect on your bottom line.
-  **3) Explore alternate strategies**  
Identify and test alternative strategies to mitigate tariff impact, such as shifting production to lower-cost regions, changing suppliers, or adjusting distribution routes. Evaluate the financial implications of these alternatives to minimize cost increases while maintaining service levels.
-  **4) Align on a tariff-optimal network**  
Evaluate the trade-offs between cost, service, and risk in selecting production and sourcing locations. Identify the optimal network configuration that balances tariff reduction with operational efficiency to maintain competitiveness and profitability.

**Gain confidence  
in your ability to  
respond to tariff  
policy changes  
with Coupa.**

A multinational frozen food company used Tariff Impact Planning to model its production flows in response to a proposed 25% tariff on cross-border trade between the U.S. and Canada. By modeling tariffs on all flows between the two countries, the company created scenarios to evaluate potential production shifts between its U.S. and Canadian plants. This helped the company refine its production strategies, make data-driven decisions on shifting manufacturing and sourcing operations, and negotiate more effectively with key customers.

**Ready to get started? [Request](#) a tailored demo today.**