

# Tariff Management Workbook

An Actionable Guide for Manufacturing  
& Industrial Executives

*Purpose: Strategic workbook providing checklists, frameworks, and action plans for managing tariff exposure in dynamic policy environments*

**Seshadri Guha**  
CEO & Founder, TADA

February 22, 2026

# Table of Contents

How to Use This Workbook	03
Section 1: Tariff Exposure Assessment	04
Section 2: HTS Classification Audit	07
Section 3: USMCA Qualification and Compliance	09
Section 4: Supplier Diversification and Nearshoring Strategy	12
Section 5: Duty Drawback and Cost Recovery Programs	15
Section 6: Bonded Warehouse and Foreign Trade Zone Strategy	17
Section 7: Tariff Exclusion and Trade Policy Advocacy	20
Section 8: Tariff Risk Scenario Planning	22
Section 9: Cross-Functional Tariff Governance	25
Appendix A: Tariff Management Calendar	28
Appendix B: Key Resources and Contacts	29
About the Author	30
About TADA	31
Take Action	32

# How to Use This Workbook

This workbook is designed as a practical management tool, not a compliance manual. Each section provides:

- Clear action items you can assign to procurement, finance, and supply chain teams
- Checklists to track completion and maintain ongoing compliance
- Decision frameworks for evaluating sourcing, pricing, and risk mitigation strategies
- Integration points showing how TADA's platform capabilities accelerate each workstream

**Recommended approach:** Work through sections sequentially during initial tariff risk assessment, then revisit quarterly as policy and supply base evolve.

# Section 1: Tariff Exposure Assessment

## Objective

Quantify your company's total tariff liability across all imported products, suppliers, and geographies to establish baseline risk exposure.

---

## Sample Action Checklist:

### Task 1.1: Pull complete import data for trailing 12 months

- Source: U.S. Customs entry documentation, customs broker records, or ERP import transaction logs
- Required fields: HTS code, country of origin, supplier name, import value (USD), quantity, entry date
- Owner: \_\_\_\_\_ Target Date: \_\_\_\_\_

### Task 1.2: Categorize imports by tariff program exposure

- Section 232 Steel/Aluminum (50% or 25%)
- Section 232 Automotive (25%)
- Section 301 China (7.5%–100%+)
- Standard MFN rates (0%–7%)
- USMCA duty-free eligible
- Owner: \_\_\_\_\_ Target Date: \_\_\_\_\_

### Task 1.3: Calculate total tariff cost by category

- Formula:  $\text{Import Value} \times \text{Applicable Tariff Rate} = \text{Annual Tariff Cost}$
- Aggregate by product family, supplier, and origin country
- Owner: \_\_\_\_\_ Target Date: \_\_\_\_\_

□ **Task 1.4: Identify top 10 highest-cost tariff exposures**

- Rank by absolute dollar tariff cost
- Flag products where tariff exceeds 15% of landed cost
- **Owner:** \_\_\_\_\_ **Target Date:** \_\_\_\_\_

□ **Task 1.5: Map tariff costs to P&L impact**

- Which product lines carry highest tariff burden?
- What percentage of COGS is attributable to tariffs?
- Can tariff costs be passed to customers, or do they compress margin?
- **Owner:** \_\_\_\_\_ **Target Date:** \_\_\_\_\_

**Decision Framework: Materiality Thresholds**

Annual Tariff Cost	Risk Level	Required Action
< \$500K	Low	Monitor quarterly; no immediate action
\$500K – \$2M	Moderate	Assign owner; evaluate mitigation options
\$2M – \$10M	High	Executive-level review; develop mitigation plan within 60 days
> \$10M	Critical	Board-level briefing; restructure sourcing strategy immediately



## **TADA Integration: Real-Time Tariff Exposure Visibility**

**Challenge:** Import data sits in customs broker systems, ERP transaction logs, and spreadsheets, making consolidated tariff analysis manual and error-prone.

### **TADA Solution:**

TADA's **Procurement Control Tower** integrates U.S. Customs entry data, ERP purchase orders, and supplier master data into a single semantic network. The platform automatically:

- Enriches each import transaction with HTS code, origin, and applicable tariff rate
- Calculates landed cost including duties, freight, and insurance in real time
- Provides executive dashboards showing tariff exposure by supplier, product family, and geography
- Alerts procurement teams when tariff rate changes impact active POs or planned sourcing

**Outcome:** Executives gain **continuous visibility** into tariff costs without manual data assembly, enabling proactive decision-making rather than reactive analysis.

# Section 2: HTS Classification Audit

## Objective

Validate that all imported products are classified under correct Harmonized Tariff Schedule (HTS) codes to avoid overpayment, underpayment, or compliance penalties.

---

## Sample Action Checklist

- **Compile master list of all imported SKUs with assigned HTS codes**
  - Source: Customs broker records, ERP item master, or product classification database
- **Prioritize high-value and high-volume products for audit**
  - Focus on products representing 80% of import value or volume
- **Engage customs broker or trade attorney to review classifications**
  - Validate that HTS code accurately reflects product composition, function, and use
  - Identify potential for lower-duty classifications through tariff engineering
- **Document classification rationale for each product**
  - Maintain written justification for HTS selection (supports audit defense)
- **Submit binding ruling requests to U.S. Customs for ambiguous classifications**
  - Obtain formal written determination from CBP to eliminate uncertainty
- **Update ERP and customs filing systems with validated HTS codes**
  - Ensure all future imports use correct classifications
- **Establish quarterly HTS review process**
  - Re-validate classifications as product designs, materials, or tariff schedules change

## Decision Framework: When to Pursue Tariff Engineering

Tariff engineering, legally modifying product design or import configuration to achieve lower-duty HTS classification, is worth pursuing when:

1. **Current tariff rate  $\geq$  15%** and alternative classification exists at  $<$  10%
  2. **Annual import value  $\geq$  \$1M** (sufficient ROI to justify engineering and compliance costs)
  3. **Product design flexibility** allows material substitution, assembly sequence changes, or import as subassembly
  4. **No compromise to product performance, safety, or customer requirements**
- 

## TADA Integration: Automated HTS Validation and Optimization

**Challenge:** Companies manage thousands of SKUs across hundreds of suppliers, manual HTS classification review is resource-intensive and incomplete.

### TADA Solution:

TADA's **Digital Duplicate**<sup>®</sup> creates a semantic relationship between product specifications (materials, function, assembly) and HTS classification rules. The platform:

- Flags mismatches between product attributes and assigned HTS codes
- Suggests alternative classifications with lower duty rates based on product composition
- Tracks classification changes and maintains audit trail for compliance
- Integrates with customs broker systems to auto-populate HTS codes on entry documentation

**Outcome:** Procurement and product engineering teams receive **proactive recommendations** for tariff optimization during supplier selection and product design, embedding cost reduction before sourcing commitments are made.

# Section 3: USMCA Qualification and Compliance

## Objective

Maximize duty-free treatment for North American imports by ensuring products meet USMCA Regional Value Content (RVC) and Rules of Origin requirements.

---

## Sample Action Checklist

- **Identify all suppliers in U.S., Canada, and Mexico**
  - Pull supplier master data filtered by country
- **Request USMCA Certificates of Origin from all North American suppliers**
  - Obtain completed certificate for each product or product family
- **Validate Regional Value Content (RVC) calculations**
  - For automotive: Verify 75% North American content for finished vehicles
  - For automotive parts: Verify applicable RVC threshold (ranging from 60%–75% depending on part type)
  - For non-automotive: Verify applicable USMCA RVC standard
- **Audit Tier 2 and Tier 3 supplier origin data**
  - Confirm that your Tier 1 supplier's sub-components originate from qualifying USMCA countries
  - Request supplier declarations or sub-supplier certifications
- **Document RVC calculations and maintain supporting records**
  - Retain purchase orders, invoices, bills of materials, and supplier declarations for 5 years

- [ ] Review products failing USMCA qualification
  - Identify components sourcing from non-USMCA countries that push total below RVC threshold
  - Evaluate alternative suppliers in U.S., Canada, or Mexico to increase qualifying content
- [ ] Establish quarterly USMCA compliance review process
  - Re-calculate RVC as supplier prices, material costs, and exchange rates change
  - Track compliance status in procurement system for ongoing visibility

### Decision Framework: USMCA Optimization Priority Matrix

Product Category	Current RVC	Tariff if Non-Compliant	Priority Level
Automotive (finished vehicles)	< 75%	25%	Critical — restructure supply base immediately
Automotive (parts)	< 60%–75%	25%	High — develop supplier transition plan
Industrial components	< 50%	5%–15%	Moderate — evaluate cost-benefit of compliance
Low-tariff goods	Any	< 5%	Low — monitor only; limited financial benefit



## **TADA Integration: Continuous USMCA Compliance Tracking**

**Challenge:** RVC calculations require aggregating cost data from Tier 1, Tier 2, and Tier 3 suppliers, typically managed in spreadsheets that quickly become outdated as prices change.

### **TADA Solution:**

TADA's **Supply Chain Control Tower** connects supplier purchase orders, bills of materials, and origin certifications into a **living RVC model** that automatically:

- Calculates real-time Regional Value Content for each product as input costs fluctuate
- Alerts procurement when RVC drops below USMCA threshold due to price changes or supplier switches
- Simulates impact of alternative supplier selections on USMCA compliance before commitments are made
- Generates audit-ready documentation for U.S. Customs verification requests

**Outcome:** Procurement teams maintain **continuous USMCA compliance** without manual recalculation, preventing retroactive tariff bills and enabling confident duty-free claims on every shipment.

# Section 4: Supplier Diversification and Nearshoring Strategy

## Objective

Reduce tariff exposure by strategically shifting sourcing from high-tariff origins to domestic, USMCA, or trade-agreement partners.

---

## Sample Action Checklist

- **Segment supplier base by tariff exposure**
  - High exposure: China (Section 301), non-USMCA automotive, steel/aluminum importers
  - Moderate exposure: Other Asian origins with reciprocal tariff risk
  - Low exposure: USMCA countries, domestic suppliers, countries with active trade agreements
- **Identify alternative suppliers for high-tariff products**
  - Source options in U.S., Canada, Mexico (USMCA duty-free)
  - Source options in countries with favorable trade agreements or low MFN rates
- **Model total landed cost for alternative suppliers**
  - Include: product price, tariff cost, freight, lead time, payment terms, quality risk
  - Compare all-in cost vs. incumbent supplier
- **Conduct dual-source qualification pilots**
  - Approve and test alternative suppliers in parallel with incumbents
  - Evaluate quality, delivery reliability, and responsiveness
- **Develop transition plan for supplier switches**
  - Phase approach: Shift 20%–30% of volume to alternative supplier initially
  - Monitor performance for 2–3 quarters before full transition

- [ ] **Negotiate tariff cost-sharing with incumbent suppliers**
    - Request price concessions from current suppliers to offset tariff burden
    - Use alternative supplier quotes as leverage
  - [ ] **Evaluate nearshoring and domestic production investment**
    - For high-volume, tariff-intensive products: Calculate ROI of domestic manufacturing or assembly
    - Consider bonded warehousing or foreign trade zones for inventory management flexibility
- 

## **Decision Framework: Supplier Switch Cost-Benefit Analysis**

Switching suppliers to reduce tariff exposure is justified when:

1. **Annual tariff savings  $\geq$  \$250K** (sufficient ROI to offset qualification and transition costs)
2. **Alternative supplier total landed cost < incumbent by  $\geq$  10%** (after tariff adjustment)
3. **Quality and delivery risk is acceptable** (alternative supplier meets technical and performance standards)
4. **Lead time increase  $\leq$  2 weeks** (does not disrupt production or customer delivery commitments)



## TADA Integration: Scenario-Based Sourcing Optimization

**Challenge:** Evaluating alternative suppliers requires modeling dozens of cost variables (price, tariff, freight, payment terms) across hundreds of products, typically done in isolated spreadsheets without real-time visibility.

### TADA Solution:

TADA's **Procurement Control Tower** enables executives to run **what-if scenarios** across the entire supplier network:

- "What is total landed cost impact if we shift Product X from China to Vietnam?"
- "Which products benefit most from nearshoring to Mexico vs. domestic production?"
- "How much tariff cost can we eliminate by consolidating with USMCA-compliant Tier 1 suppliers?"

The platform integrates supplier quotes, freight rates, tariff schedules, and payment terms into a unified model, delivering **instant answers** to sourcing questions that previously required weeks of manual analysis.

**Outcome:** Procurement teams make **data-driven sourcing decisions** in hours instead of weeks, accelerating supplier diversification while minimizing transition risk.

# Section 5: Duty Drawback and Cost Recovery Programs

## Objective

Recover up to 99% of tariff costs paid on imported materials that are subsequently exported as finished products or components.

---

## Sample Action Checklist

- **Identify all products imported, manufactured domestically, and exported**
  - Pull 12-month export transaction data from ERP or logistics systems
  - Match exported products to imported raw materials or components
- **Quantify potential duty drawback recovery**
  - Formula:  $(\text{Import Tariff Cost} \times \text{Export Quantity} / \text{Total Production Quantity}) \times 99\%$
  - Focus on high-tariff inputs (steel, aluminum, Chinese components) used in exported goods
- **Engage customs broker or trade attorney specializing in duty drawback**
  - Evaluate eligibility for manufacturing drawback, unused merchandise drawback, or rejected merchandise drawback
- **Implement drawback tracking system**
  - Link import entry numbers to production records and export shipments
  - Maintain detailed audit trail for CBP verification
- **File drawback claims retroactively for prior 3 years**
  - U.S. Customs allows retroactive claims for up to 3 years
  - Prioritize highest-value opportunities first
- **Establish ongoing drawback filing process**
  - Submit claims quarterly or annually for continuous cost recovery
- **Calculate ROI of drawback program investment**
  - Annual recovery potential vs. broker fees, software costs, and internal resource requirements

## Decision Framework: When Duty Drawback Is Worth Pursuing

Duty drawback programs deliver meaningful ROI when:

1. **Annual tariff cost on exported goods  $\geq$  \$500K** (sufficient recovery to justify administrative complexity)
2. **Export volume represents  $\geq$  20% of production** (material portion of output qualifies)
3. **High-tariff inputs are used** (steel, aluminum, Chinese components with 25%–100%+ tariffs)
4. **Production records are detailed and auditable** (can link imported materials to exported finished goods)

**Typical recovery:** Mid-sized manufacturers with \$5M in annual tariff costs on exported goods can recover \$3M–4M through systematic drawback programs.

---

## TADA Integration: Automated Duty Drawback Opportunity Identification

**Challenge:** Duty drawback requires linking import entries (with HTS codes and duty amounts) to production records and export shipments, a complex data integration problem that prevents many companies from pursuing recovery.

### TADA Solution:

TADA's **Digital Duplicate**<sup>®</sup> creates semantic relationships between:

- Imported materials (customs entry data, HTS codes, tariff amounts paid)
- Production bills of materials (which imports are consumed in which finished goods)
- Export shipments (finished goods sold internationally)

The platform automatically **identifies drawback-eligible transactions** and calculates potential recovery amounts, providing procurement and finance teams with a prioritized list of claims to pursue.

**Outcome:** Companies unlock **millions in tariff cost recovery** without hiring additional staff or investing in standalone drawback software.

# Section 6: Bonded Warehouse and Foreign Trade Zone Strategy

## Objective

Defer or eliminate tariff payments through strategic use of bonded warehouses and Foreign Trade Zones (FTZs).

---

## Sample Action Checklist

- **Evaluate current inventory storage and distribution network**
  - Identify warehouses near ports of entry or major distribution hubs
- **Assess eligibility for bonded warehouse or FTZ designation**
  - Contact U.S. Customs or FTZ administrator to understand application requirements
- **Model cash flow benefit of duty deferral**
  - Calculate working capital savings from delaying duty payment until goods enter U.S. commerce
  - Typical benefit: 30–90 days of deferred duty payment improves cash flow
- **Identify products suitable for FTZ manufacturing or assembly**
  - Products where final assembly or value-added operations occur in U.S.
  - FTZ benefit: Pay duty only on finished product value, not on imported components
- **Quantify duty elimination for re-exported goods**
  - Products imported, stored in bonded warehouse or FTZ, and subsequently exported → zero duty liability
- **Apply for FTZ designation if ROI justifies investment**
  - Application process: 6–12 months
  - Ongoing costs: FTZ operator fees, additional recordkeeping, CBP compliance audits
- **Establish FTZ inventory management procedures**
  - Segregate FTZ inventory from domestic inventory in WMS
  - Track goods entering and exiting FTZ for CBP reporting

## Decision Framework: Bonded Warehouse vs. Foreign Trade Zone

Use Case	Bonded Warehouse	Foreign Trade Zone
Duty deferral only	Best option — simpler, lower cost	Overkill — unnecessary complexity
Re-export goods duty-free	Works well	Works well
U.S. manufacturing or assembly	Not applicable	Best option — pay duty on lower finished value
Inverted tariff benefit	Not applicable	Best option — pay lower rate on finished good vs. components
Setup complexity	Low	Moderate to High
Ongoing compliance burden	Low	Moderate



## **TADA Integration: FTZ Inventory Visibility and Compliance**

**Challenge:** FTZ operations require strict segregation of foreign-status (duty-unpaid) vs. domestic-status (duty-paid) inventory, typically managed through manual reconciliation between WMS and CBP reporting systems.

### **TADA Solution:**

TADA's **Asset & Inventory Management** solution integrates FTZ inventory status into the Digital Duplicate, providing:

- Real-time visibility into foreign-status vs. domestic-status inventory quantities
- Automated alerts when inventory movements require CBP reporting or duty payment
- Scenario modeling: "If we move Product X from FTZ to domestic commerce, what is tariff liability?"

**Outcome:** Operations teams maintain perfect FTZ compliance while finance teams gain real-time visibility into deferred duty liabilities and cash flow impact.

# Section 7: Tariff Exclusion and Trade Policy Advocacy

## Objective

Obtain formal exemptions from specific tariff programs through USTR exclusion processes or industry trade association advocacy.

---

## Sample Action Checklist

- **Monitor USTR exclusion process announcements**
  - Subscribe to Federal Register notices for Section 301 exclusion rounds
  - Track opening and closing dates for exclusion request submissions
- **Identify products eligible for exclusion**
  - Products with no domestic manufacturing alternative
  - Products where tariff causes disproportionate economic harm to U.S. manufacturers
- **Prepare exclusion request documentation**
  - Detailed product description and HTS classification
  - Evidence of domestic sourcing attempts (RFQs to U.S. suppliers with negative responses)
  - Quantification of tariff cost impact on business operations, employment, or competitiveness
- **Submit exclusion requests within filing window**
  - USTR typically allows 30–60 day windows for submissions
- **Monitor public comment period and respond to objections**
  - U.S. domestic producers may object to exclusion requests; prepare rebuttal comments
- **Track exclusion approval status**
  - USTR publishes granted exclusions in Federal Register
  - Approved exclusions are typically retroactive to tariff effective date
- **File refund claims with U.S. Customs for retroactive exclusions**
  - Recover tariffs paid during period before exclusion was granted

- [ ] Engage industry trade associations for collective advocacy
    - Automotive, industrial, electronics trade groups often coordinate exclusion campaigns
- 

## Decision Framework: When to Pursue Tariff Exclusions

Exclusion requests are worth pursuing when:

1. **Product-specific annual tariff cost  $\geq$  \$100K** (sufficient savings to justify application effort)
2. **No domestic supplier alternative exists** (critical for approval)
3. **Tariff causes demonstrable business harm** (layoffs, production shutdowns, lost competitiveness)
4. **USTR exclusion process is active** (windows open periodically; not continuous)

**Success rate:** Historically 20%–40% of exclusion requests granted, depending on product category and quality of application.

---

## TADA Integration: Exclusion Opportunity Tracking and Documentation

**Challenge:** Identifying which imported products qualify for exclusion requires cross-referencing HTS codes, tariff programs, exclusion lists, and domestic sourcing alternatives, a manual, time-intensive process.

### TADA Solution:

TADA's **Procurement Control Tower** automatically:

- Flags products currently paying Section 301 tariffs that may qualify for exclusion
- Tracks USTR exclusion process announcements and deadlines
- Generates documentation packages showing tariff cost impact and domestic sourcing attempts
- Monitors approved exclusion lists and alerts teams when retroactive refunds are available

**Outcome:** Procurement and trade compliance teams **never miss exclusion opportunities**, maximizing cost recovery without dedicated monitoring resources.

# Section 8: Tariff Risk Scenario Planning

## Objective

Build organizational agility to respond rapidly to tariff policy changes through pre-developed contingency plans and decision frameworks.

---

## Sample Action Checklist

- **Define tariff risk scenarios for planning purposes**
  - Scenario 1: Section 232 automotive tariffs eliminated (Supreme Court or legislative action)
  - Scenario 2: Section 301 China tariffs increased from current rates to 125%+
  - Scenario 3: New reciprocal tariffs re-imposed under different legal authority
  - Scenario 4: USMCA rules of origin tightened (higher RVC thresholds)
- **Model financial impact of each scenario**
  - Calculate change in total tariff cost, COGS impact, and margin compression
  - Identify products with highest exposure in each scenario
- **Develop pre-approved supplier switch plans**
  - Pre-qualify alternative suppliers in low-tariff origins
  - Negotiate contingent pricing agreements that activate if tariff thresholds are crossed
- **Establish tariff policy monitoring process**
  - Assign owner to track Federal Register, White House announcements, trade press
  - Create alert system to notify executive team within 24 hours of major policy changes
- **Pre-position inventory for high-risk scenarios**
  - Build strategic buffer stock of high-tariff components before policy changes take effect
  - Use bonded warehouses to maintain flexibility

- [ ] **Develop pricing strategy for tariff cost pass-through**
  - Determine which customer contracts allow tariff-driven price adjustments
  - Prepare customer communication templates for rapid deployment
- [ ] **Conduct quarterly scenario review with executive team**
  - Update scenario assumptions as policy landscape evolves
  - Refine contingency plans based on new information

### Decision Framework: Scenario Response Triggers

Scenario	Trigger Event	Response Action	Execution Timeline
<b>China tariffs increase to 125%</b>	USTR announcement	Activate pre-qualified Vietnam/India suppliers	Execute within 30 days
<b>Auto tariffs eliminated</b>	Supreme Court ruling or legislation	Expand non-USMCA sourcing for cost optimization	Execute within 60 days
<b>USMCA RVC raised to 80%</b>	USMCA Joint Commission decision	Shift additional Tier 2 suppliers to North America	Execute within 90 days
<b>New reciprocal tariffs on EU</b>	Presidential proclamation	Evaluate UK or domestic alternatives	Execute within 45 days



## **TADA Integration: Real-Time Scenario Modeling Across Supply Chain Network**

**Challenge:** Running "what-if" tariff scenarios requires updating hundreds of spreadsheets with new rates, recalculating landed costs, and manually comparing supplier alternatives, a process that takes weeks and produces stale results.

### **TADA Solution:**

TADA's **Supply Chain Control Tower** enables executives to model tariff scenarios **in real time**:

- "If China tariffs increase to 125%, what is total COGS impact by product line?"
- "Which suppliers should we switch to minimize exposure if EU reciprocal tariffs are re-imposed?"
- "What is financial benefit of increasing USMCA RVC from 72% to 78% for Product X?"

The platform's **Digital Duplicate**® maintains live relationships between suppliers, products, tariff schedules, and alternative sourcing options, delivering instant answers to complex scenario questions.

**Outcome:** Executive teams make **confident, data-driven decisions** in hours instead of weeks, turning tariff volatility into competitive advantage through superior agility.

# Section 9: Cross-Functional Tariff Governance

## Objective

Establish organizational structure, roles, and processes to manage tariff risk as an ongoing strategic capability.

---

## Sample Action Checklist

- **Designate executive owner for tariff strategy**
  - Typically CPO (Chief Procurement Officer), CFO, or VP Supply Chain
  - Responsible for enterprise-wide tariff cost management and risk mitigation
- **Form cross-functional tariff task force**
  - Core members: Procurement, Finance, Supply Chain, Legal/Compliance, Product Engineering
  - Meeting cadence: Monthly (or weekly during periods of high policy volatility)
- **Define roles and responsibilities**
  - Procurement: Supplier diversification, landed cost analysis, tariff exposure quantification
  - Finance: Tariff cost tracking, P&L impact modeling, pricing strategy
  - Supply Chain: Inventory positioning, logistics optimization, FTZ/bonded warehouse management
  - Legal/Compliance: HTS classification, USMCA documentation, exclusion requests, audit defense
  - Product Engineering: Tariff engineering, design-for-sourcing, RVC optimization
- **Establish tariff KPIs and reporting**
  - Total annual tariff cost (absolute \$ and % of COGS)
  - Tariff cost per product line or business unit
  - USMCA compliance rate (% of North American imports qualifying for duty-free)
  - Supplier diversification progress (% of spend in high-tariff origins vs. low-tariff alternatives)

- [ ] **Build tariff risk into capital allocation and M&A decisions**
  - Evaluate tariff exposure of acquisition targets before deal close
  - Factor tariff mitigation costs into business case for new product launches or capacity expansions
- [ ] **Invest in trade compliance technology and training**
  - Implement landed cost management software or integrate TADA platform
  - Train procurement teams on HTS classification, USMCA rules, and tariff optimization strategies
- [ ] **Conduct annual tariff risk audit**
  - Engage external trade counsel to review classification accuracy, USMCA compliance, and audit readiness

---

<b>Maturity Level</b>	<b>Characteristics</b>	<b>Organizational Capability</b>
<b>Level 1: Reactive</b>	Tariff costs tracked in spreadsheets; no proactive management	Responds to audits or cost overruns after the fact
<b>Level 2: Aware</b>	Tariff exposure quantified; basic HTS classification process	Can answer "How much do we pay in tariffs?"
<b>Level 3: Managed</b>	Cross-functional task force; regular reviews; USMCA compliance program	Actively manages tariff costs as part of procurement strategy
<b>Level 4: Optimized</b>	Integrated tariff cost modeling in ERP/procurement systems; scenario planning	Tariff strategy drives sourcing decisions and competitive advantage
<b>Level 5: Strategic</b>	Real-time tariff visibility; automated compliance; supplier network optimized for tariff efficiency	Tariff agility is a core competency enabling faster, better decisions than competitors



## TADA Integration: Enterprise Tariff Command Center

**Challenge:** Tariff management spans procurement, finance, supply chain, compliance, and engineering, but data and tools are fragmented across departments, preventing coordinated action.

### TADA Solution:

TADA's **platform architecture** unifies tariff management across the enterprise through a single **Tariff Command Center**:

- **Procurement teams** see real-time landed cost for every supplier and product
- **Finance teams** track tariff cost trends, P&L impact, and scenario modeling
- **Supply chain teams** optimize inventory positioning and logistics to minimize duty liability
- **Compliance teams** monitor HTS accuracy, USMCA documentation, and audit readiness
- **Executive teams** access consolidated dashboards showing enterprise-wide tariff exposure and mitigation progress

All roles work from **one source of truth** — TADA's Digital Duplicate®, eliminating version control issues, data discrepancies, and communication delays.

**Outcome:** Organizations achieve **Level 5 tariff maturity**, turning tariff complexity into strategic advantage through superior coordination, speed, and data-driven decision-making.

# Appendix A: Tariff Management Calendar

## Recurring Activities

### Monthly:

- Review tariff cost actuals vs. budget by product line
- Monitor Federal Register for tariff policy announcements
- Update landed cost models with current tariff rates

### Quarterly:

- Re-validate USMCA Regional Value Content calculations for all North American suppliers
- Audit HTS classifications for new products or changed designs
- Review supplier diversification progress against targets
- Update tariff risk scenarios and contingency plans

### Annually:

- Conduct comprehensive tariff exposure audit (internal or external)
- File duty drawback claims for prior year exports
- Benchmark tariff costs vs. industry peers
- Review and update tariff governance structure and KPIs

# Appendix B: Key Resources and Contacts

## Government Agencies

- U.S. Customs and Border Protection (CBP): [www.cbp.gov](http://www.cbp.gov) — HTS classification, import regulations, audit procedures
- U.S. Trade Representative (USTR): [www.ustr.gov](http://www.ustr.gov) — Tariff exclusion processes, trade policy announcements
- U.S. International Trade Commission (USITC): [www.usitc.gov](http://www.usitc.gov) — Tariff rate database, trade statistics
- U.S. Census Bureau – USA Trade Online: [www.usatrade.census.gov](http://www.usatrade.census.gov) — Import/export data by HTS code and country

## Industry Associations

- National Association of Manufacturers (NAM): [www.nam.org](http://www.nam.org)
- Automotive Industry Action Group (AIAG): [www.aiag.org](http://www.aiag.org)
- American Importers and Exporters Association: [www.aiea.org](http://www.aiea.org)

## Trade Compliance Software and Service Providers

- Customs Brokers: Licensed brokers specializing in HTS classification, duty drawback, and USMCA compliance
- Trade Attorneys: Law firms with customs and international trade practice groups
- TADA Platform: [www.tadanow.com](http://www.tadanow.com) — AI-native supply chain and procurement platform with integrated tariff management capabilities



## About the Author

---

Seshadri Guha, CEO & Founder at TADA, is a global business leader and entrepreneur with more than 25 years of experience solving complex business challenges and architecting distinctive strategies across competitive strategy, digital transformation, organizational design, and technology architecture. He has guided multinational corporations through large-scale change while building high-growth ventures that deliver measurable improvements in performance.

Guha's career includes leading the Advanced Computing Technologies Group at Automated Analysis Corporation (AAC), where he set and executed the group's strategy and helped establish it as a leading engineering software organization. He is a founding partner and longtime executive at CGN Global, which he helped grow into an industry-leading performance consulting firm serving Fortune 100 clients across manufacturing, automotive, financial services, and operations. In 2016, he founded TADA and now serves as its CEO.

With an MS in Engineering Science & Mechanics from Iowa State University and a BS in Mechanical Engineering from the Indian Institute of Technology, Madras, plus executive programs at Northwestern's Kellogg School of Management and Purdue's Krannert School of Management, Guha brings deep technical training and executive vision to reimagining how enterprises operate at scale. He chairs the Board of Directors at VirtuSense Corporation and is active in the community through leadership roles with Easterseals of Central Illinois, the American Red Cross, the Community Foundation of Central Illinois, and as Founder of Passage to India.

# About TADA

**TADA** is an AI-native, patented business and supply chain transformation platform trusted by Fortune 500 companies across manufacturing, automotive, industrial, healthcare, and consumer goods. Powered by its proprietary **Digital Duplicate®** technology, TADA integrates data from 200+ enterprise systems into a single, living semantic network that delivers:

- **Real-time tariff exposure visibility** across every product, supplier, and import origin
- **Landed cost optimization** with automated what-if scenario modeling
- **USMCA compliance tracking** with continuous Regional Value Content calculation
- **Supplier diversification intelligence** showing cost-benefit of alternative sourcing strategies
- **Duty drawback opportunity identification** linking imports to exports for maximum cost recovery

TADA's **Procurement Control Tower** and **Supply Chain Control Tower** transform tariff management from a reactive compliance burden into a **proactive competitive advantage**, enabling executives to model scenarios, optimize networks, and execute decisions faster than competitors.

Named **Best Supply Chain Management Software 2024 by Forbes Advisor** and recognized by Gartner as a composite digital twin platform, TADA deploys in as few as **12 weeks**, delivering measurable cost savings from Day One.

Learn more: [www.tadanow.com](http://www.tadanow.com)

# Take Action

Ready to transform tariff management from spreadsheet chaos to strategic advantage?

Schedule a confidential executive briefing to see how TADA's patented Digital Duplicate® technology can help your organization:

- Quantify total tariff exposure in hours instead of weeks
- Model supplier diversification scenarios with one click
- Maintain continuous USMCA compliance without manual recalculation
- Identify millions in duty drawback recovery opportunities automatically
- Turn tariff volatility into competitive advantage through superior agility

Website

Email

Phone

---

## Disclaimer

This workbook is provided for informational and strategic planning purposes only and does not constitute legal, tax, or professional trade compliance advice. Tariff regulations, classifications, and policies are subject to change through executive action, legislation, judicial review, and bilateral negotiation. Companies should consult qualified customs brokers, trade attorneys, and compliance professionals before making sourcing, classification, or strategic decisions based on tariff policy. TADA makes no representations or warranties regarding the accuracy, completeness, or currentness of the information contained herein.