



Weathering the Tariff Storm: How Consumer Goods Companies Can Protect Margins and Keep Goods Flowing

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If you're in the business of consumer goods, you already know: the global trade landscape has become a minefield. Tariffs are up, policies shift overnight, and suddenly, your most reliable sourcing plan feels like it's built on quicksand.

Whether you're importing apparel, electronics, home goods, or seasonal inventory, the stakes are high. But here's the good news—there *are* steps you can take now to reduce your exposure, protect your margins, and keep your goods moving.

Let's talk about how.

Step One: Map Your Global Footprint

Start by getting clear on what's coming in and what's going out:

- **What products are you importing into the U.S.? And from where?**
- **What products are you exporting out of the U.S., and to which countries?**

These questions sound basic, but they're the foundation for understanding how exposed you are to trade disruptions—and where you might need to pivot.

Step Two: Know Your Numbers, Down to the Part Number

If you haven't run a deep-dive analysis on your duties and landed costs lately, now's the time.

- **Have you reviewed your import duties by SKU or part number?**
- **Have you run scenarios showing what happens if tariffs go to 10%, 20%, or 30%?**
- **Does your ERP system give you visibility into all components of cost, like HTS codes, duties, taxes, and fees by country of origin?**

Knowing how tariffs impact your true landed cost lets you make smart calls—like shifting sourcing or adjusting pricing—*before* it's a fire drill.

Step Three: Revisit Your Trade Agreement Strategy

There's a good chance you're leaving money on the table.

- **Are you taking advantage of Free Trade Agreements (FTAs)? If so, which ones?**
- **Are you able to prove compliance and origin?**

Many consumer goods can qualify under FTAs—but only if you've got the right documentation and systems in place.

Step Four: Use Product Design to Your Advantage

Yes, you read that right—**design can be your secret weapon** against tariffs.

- **Have you explored how changing components or where assembly happens could impact your tariff exposure?**
- **Have you looked into tariff engineering or reclassification options based on HTS codes?**

A small tweak in design or assembly location could translate into significant savings across thousands of units.

Step Five: Ask the Country of Origin Questions Nobody Wants to Ask

Where your products come from—and what's in them—matters more than ever.

- **Do your imported goods contain any U.S. components or materials? If not, could they?**
- **Do any of your supplier countries have trade tensions or sanctions (like importing oil from Venezuela)?**

These aren't hypothetical concerns—they're things that could put a container on hold or spike your costs.

Step Six: Strengthen Your Compliance Game

Let's face it—keeping up with trade rules is a full-time job. So ask yourself:

- **Is your legal/compliance team equipped to track policy changes and assess cost impacts?**
- **Do you have a licensed customs broker on call?**
- **How do you monitor changes—executive orders, the Federal Register, trade associations?**

If your answer is “we Google it when something happens,” it's time to level up.

Step Seven: Recheck Your Logistics and Incoterms

In a volatile environment, how and when you take ownership of goods matters a lot.

- **Who moves your goods into the U.S., and where are those carriers based?**
- **Who owns and operates the companies that move your goods?**
- **Where were the vessels built that move your goods?**
- **When was the last time you reviewed your Incoterms with overseas manufacturers?**
- **Are those terms helping or hurting your margins and flow of goods?**

These questions may seem insignificant, however, the recent penalties announced by the White House could expose you to significant increases in your logistics costs. Small tweaks in your freight and terms can unlock major flexibility, protect your margins, and protect you from delays when chaos hits.

Step Eight: Lean Into Industry Support

No one company can go it alone right now.

- **Are you part of a trade association that has boots on the ground in D.C.?**
- **Are you collaborating with peers or consultants to stay ahead of changes?**
- **Would you be open to a deeper conversation about building a more resilient sourcing strategy?**

Because being in the know isn't just about avoiding pain—it's about staying competitive. Reach out for more information on how to get the best representation on Capitol Hill.

Bottom Line: Build Resilience Now, Before You Need It

Tariff increases and shifting trade policies aren't a trend—they're the new normal. And while you can't control global politics, you *can* build a smarter, more nimble operation that protects your margins and keeps goods flowing to your shelves and customers.

Start by asking the right questions and then taking immediate action on the answers. For more information or to get customized strategies for your company, reach out to Jim Day and Steve Weyer directly.

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