

Adapting to Global Tariffs: An Integrated Approach to Sourcing



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Building Resilient Supply Chains Through Cross-Functional Alignment in a Volatile Trade Environment

A pragmatic approach to safeguard EBITDA through smarter sourcing, modular product design, and flexible manufacturing in a tariff-sensitive environment

As global trade policies dynamics grow increasingly, companies must evolve from reactive sourcing to proactive, resilience-focused strategies. Companies can no longer afford to take a one-size-fits-all approach to sourcing. The recent spike in U.S. tariffs on imports from key manufacturing hubs isn't just a procurement challenge – it's a strategic inflection point that directly impacts product architecture, manufacturing flexibility, and long-term competitive advantage.

Align Internal Capabilities with External Realities

To develop a resilient and responsive sourcing strategy, companies must evaluate both internal levers—such as product design and manufacturing flexibility, and external factors like tariffs, supply base maturity, and geopolitical risk to navigate supply chain disruption.

Internal Factors: Product Development, Manufacturing, and Procurement Integration 	External Factors: Tariffs, Trade and Global Supply Dynamics 
<p>Part Segmentation: Use a structured approach to develop tailored sourcing and risk mitigation strategies based on criticality, business impact, spend, and supply market complexity.</p> <p>Product Architecture & Modularity: Modular architecture, use of harmonized parts across platforms, and component interface design to enable sourcing flexibility.</p> <p>Manufacturing Footprint and Flexibility: Map where there is scalable capacity to absorb production shifts rapidly and evaluate retooling lead times and contingency plans to switch production quickly.</p> <p>Procurement Strategy & Certification: Select sectors require certifications, product & process validations and having pre-qualified backup suppliers can help accelerate resourcing.</p>	<p>Tariff Policy & Trade Agreements: Tariff increases and changes are no longer isolated events and companies have to be proactive with regular scenario planning including impact thresholds and focus on total landed cost.</p> <p>Country Level Supply Risk and Right-Shoring Triggers: Multi-dimensional sourcing scorecards have to be developed with trigger-based decision tree for strategic control and cost responsiveness.</p> <p>Global Supply Base Maturity & Market Assessment: Companies have to develop a structured process to continuously revisit the supply market landscape, identify emerging capabilities and build a pipeline of new sources.</p>

This is Not a Procurement Problem Alone

While tariff increases and sourcing risks often fall under procurement's domain, the response must be cross-functional. Procurement alone cannot:

- Redesign products for modularity
- Expand or relocate manufacturing capacity
- Validate new suppliers to align with product development timelines

Building true resilience requires input and alignment from:

- Engineering, Product Development: Product architecture and sourcing optionality
- Manufacturing: Capacity and process flexibility
- Engineering & Quality: Product & process validation
- Finance: Total land cost and capital decisions
- Procurement: Supplier engagement and risk mitigation

Integrated Strategy, Move Beyond Cost Metrics

Companies that treat global trade volatility as a procurement issue will fall behind. Tariffs, supplier constraints, and geopolitical shifts demand a coordinated enterprise-wide response that links sourcing to design and production.

To succeed, businesses must embed flexibility into their products, plants, and procurement practices—and align all three with a structured approach to resilience and cost optimization.

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Kian Solutions at a glance

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