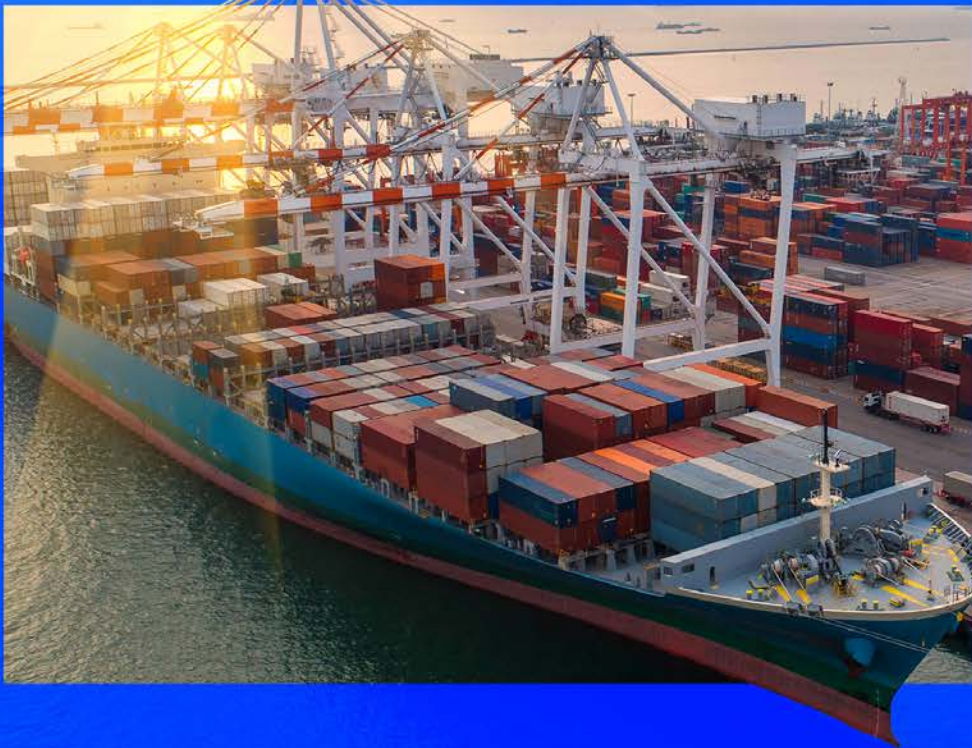




Navigating tariffs with resilience and intelligence



About the authors

Inna Brotine

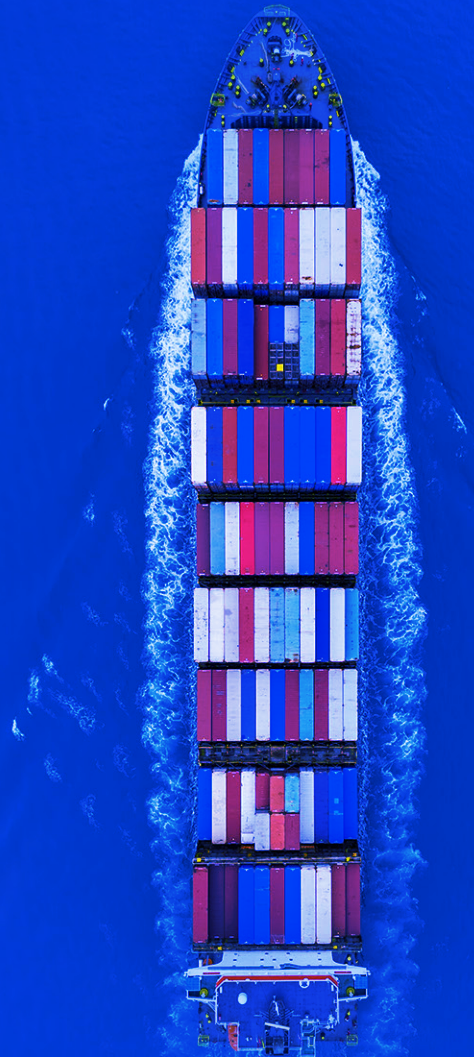
Inna Brotine is a Senior Value Advisor at SAP, partnering with global organizations to shape business transformation strategies that connect technology investment to measurable enterprise outcomes. With nearly two decades of cross-industry experience, she advises executives on value-based transformation roadmaps, business case development, and value realization strategy. Her background includes leadership roles in enterprise transformation, process optimization, and continuous improvement across multiple industries.

Hernan De la Torre

Hernan De la Torre is a senior executive with over two decades of experience driving strategic transformation through supply chain innovation, AI integration, and technology-enabled business solutions. As a principal at KPMG Advisory Services, Hernan leverages his extensive experience in SAP and agentic AI to transform traditional supply chains into intelligent, responsive networks, dramatically enhancing visibility, responsiveness, and sustainability. A visionary leader, Hernan pioneered the concept of Neural Supply Chain Orchestration (NSCO), uniting advanced artificial intelligence with strategic supply chain management. His leadership enables companies to move beyond incremental improvements to achieve exponential value through predictive analytics, end-to-end synchronization, and ethical automation.

Frances Xing

Frances Xing is a principal in the KPMG Tax, Trade & Customs practice. With over 20 years of leadership experience in supply chain and trade transformation, Frances has successfully implemented advanced trade automation solutions through SAP Global Trade Services (GTS) on a global scale. Her extensive knowledge and experience spans importing, exporting, and duty-minimization regimes, enabling clients to optimize their supply chains by reducing costs and improving efficiency. She possesses in-depth industry knowledge across the life sciences, chemicals, retail, and manufacturing sectors. Her experience in importing, exporting, and duty-minimization regimes has allowed her clients to incorporate trade improvements within their supply chains to reduce cost and gain efficiency.



From insight to action: building a unified trade response framework

In today's global trade environment, policy shifts are no longer isolated risks. A tariff change in one market can impact product margins, sourcing strategies, shipping timelines, and even revenue forecasts.

**Why this matters:
Trade policy now
affects every
function**

Some forces are within management control—such as shifting suppliers or renegotiating contract terms. Others are entirely external, such as sudden election results or new security regulations. The framework helps organizations account for both types of disruption and map their cascading effects, so teams can focus on the levers that truly move the needle.

The forces reshaping trade extend far beyond tariffs. Global trade now faces a rolling wave of disruption that extends far beyond duties and regulations. Domestic and foreign policy shifts, unforeseen health crises such as pandemic lockdowns, and emerging cyber threats such as quantum-enabled attacks all converge on the same interconnected network of suppliers, partners, and customers. These forces don't just alter cost structures or compliance deadlines—they disrupt supply continuity, squeeze margins, and push companies into reactive decisions that undermine long-term profitability.

Why this matters: Trade policy now affects every function

What was once a niche concern for compliance teams is now an enterprise-wide challenge. A single tariff change can cascade across every major function:



Procurement must revisit sourcing geography, pricing, and supplier terms.



Supply chain needs to reroute shipments and adjust inventory.



Finance needs to recalculate landed cost, margin, and forecasts.



Compliance must manage new documentation and regulatory filings.

The challenge is that these functions often operate in silos, using separate tools and misaligned timelines. This slows down responses, creates duplication, and limits agility. That's why trade strategy must be a shared responsibility. To respond effectively, organizations must link these functions through shared visibility, integrated planning, and proactive risk management—forming a **unified trade response framework**.



What a unified trade response framework looks like

Leading enterprises invest in five interconnected capabilities, each supported by intelligent systems that align strategy with execution.

1

Model trade impacts before they happen Capability: Scenario-based planning and cost optimization

The ability to model the financial impact of trade policy changes (before they hit) and explore alternative sourcing or manufacturing scenarios is critical to preserving profitability and customer commitments. Leading organizations use scenario-based planning to simulate the effects of tariff shifts, supplier changes, or regional manufacturing adjustments—well before those changes hit the bottom line.

When trade policies shift, companies need to model the impact quickly and answer questions, such as:

1

What's the margin impact if tariffs on our top products rise 10 percent?

2

Which suppliers in lower-tariff regions could take on more volume?

3

What are the tradeoffs between delivery time, cost, and risk?

Achieving this level of foresight requires connected planning and data-intelligence capabilities that unify trade data, financial forecasts, and supply-chain decisions into a single, actionable view.

Modern **planning and analytics solutions** within the SAP ecosystem enable organizations to run “what-if” simulations across suppliers, regions, and production sites—quantifying exposure and identifying cost-optimized options. These capabilities integrate external market and trade data with internal cost, supplier, and risk metrics, giving decision-makers a trusted, holistic view of impact. Real-time trade intelligence—such as duty rates, origin data, and qualification status—further refines each scenario to ensure accurate landed-cost modeling.

Together, these capabilities create a continuous feedback loop between finance and operations—enabling leaders to act decisively, protect margins, and sustain supply continuity even amid unpredictable trade conditions.

Business impact

By linking trade, cost, and supply data in one model, executives can quantify how tariff changes, regional disruptions, or policy shifts affect margin, service, and cash flow. Scenario modeling and synthetic-data simulations improve landed-cost accuracy and forecasting reliability, giving finance and operations leaders greater confidence even amid volatility.

2

Automate compliance while maintaining operational efficiency Capability: Operational trade compliance

Compliance must be effective, reliable, and operate at a level that keeps pace with the demands of international trade. By embedding trade governance directly into daily workflows, organizations can ensure every shipment, invoice, and declaration reflects accurate duty, classification, and tax treatment.

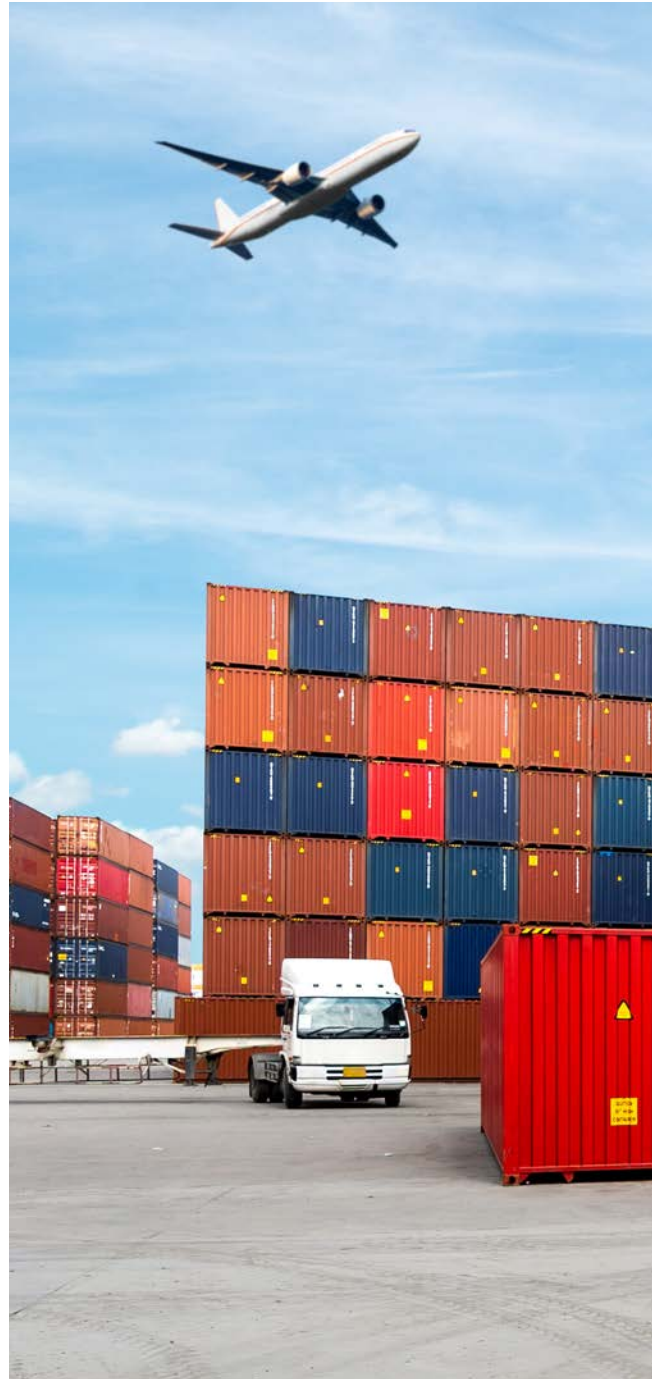
Modern **trade automation and compliance management systems** handle complex regulatory tasks—such as Harmonized System (HS) classification (assigning the correct tariff codes to goods), customs declarations (filing required documentation for import/export), and Free Trade Agreement (FTA) qualification (verifying eligibility for duty savings)—while maintaining full transparency between product costs and tariff treatments to ensure accuracy and audit readiness.

These solutions not only enable companies to digitize customs filings and apply country-specific localization rules, but also automatically adopt updates as customs and tax regulations evolve—creating a single, trusted foundation for compliance across markets.

When integrated, these systems create a single source of truth for trade compliance data, eliminating manual effort and reducing the risk of costly errors or shipment delays.

Business impact

Automating compliance enables faster border clearance, reduced duty exposure, and greater operational efficiency. Companies can move goods across borders confidently, maintain audit readiness in real time, and improve transparency with regulators—all while reducing the cost and complexity of global trade operations.



3

Adapt sourcing to strengthen supply chain resilience

Capability: Network agility and responsive planning

Tariff shifts often demand rapid changes to sourcing strategies and supplier onboarding. Agility across sourcing, supplier onboarding, and planning functions enables companies to minimize disruption and maintain service levels without sacrificing cost efficiency.

Modern **sourcing and supply-network management capabilities** make it possible to rapidly identify, qualify, and onboard alternative suppliers in low-tariff or lower-risk regions—drawing on embedded risk profiles, performance data, and compliance insights. These capabilities synchronize sourcing decisions with demand and inventory forecasts, ensuring supply networks adjust dynamically as tariffs, logistics costs, or regional capacity shift. Automated workflows then connect planning to execution—triggering actions such as rerouting shipments, updating pricing, or activating new suppliers across the network in real time.

This interconnected approach transforms sourcing and planning from reactive tasks into a coordinated, intelligent system capable of absorbing shocks and sustaining service continuity.

Business impact

Organizations that can pivot sourcing and logistics decisions in real time maintain service continuity, reduce costs, and protect compliance. Integrated planning and sourcing visibility allow leaders to balance speed, cost, and risk—strengthening resilience and competitiveness in volatile trade environments.



4

Monitor legislative and geo-political shifts in real time

Capability: Policy intelligence and proactive risk monitoring

In an era of constant policy shifts and geopolitical uncertainty, companies can no longer wait for regulatory changes to disrupt their operations. Real-time intelligence has become a core capability—essential for anticipating change, assessing impact, and enabling swift, coordinated response across the enterprise.

Modern organizations integrate **real-time policy and market intelligence**, including tariff updates, sanctions lists, trade-agreement changes, and geopolitical developments, directly into their planning and risk frameworks.

Through connected data and integration capabilities, external signals can be continuously fed into core business systems via APIs and partner connectors, creating a **single, trusted source of trade intelligence**. Advanced analytics then transform that data into dynamic dashboards, exposure scores, and scenario models, allowing leaders to visualize vulnerabilities and test potential outcomes. When embedded into broader governance and risk frameworks, this intelligence becomes part of enterprise-wide controls, ensuring that every decision aligns with compliance requirements and defined risk thresholds in real time.

Business impact

Organizations that incorporate external intelligence directly into planning and risk management processes can respond proactively rather than reactively. By identifying early signals, leadership teams can mitigate costly disruptions, ensure operational stability, and communicate more confidently with stakeholders. This approach enables timely, risk-informed decision-making, helping to safeguard profit margins, maintain brand reputation, and enhance organizational agility in dynamic markets.



5

Make trade risk visible to executives Capability: Enterprise risk visibility and alignment

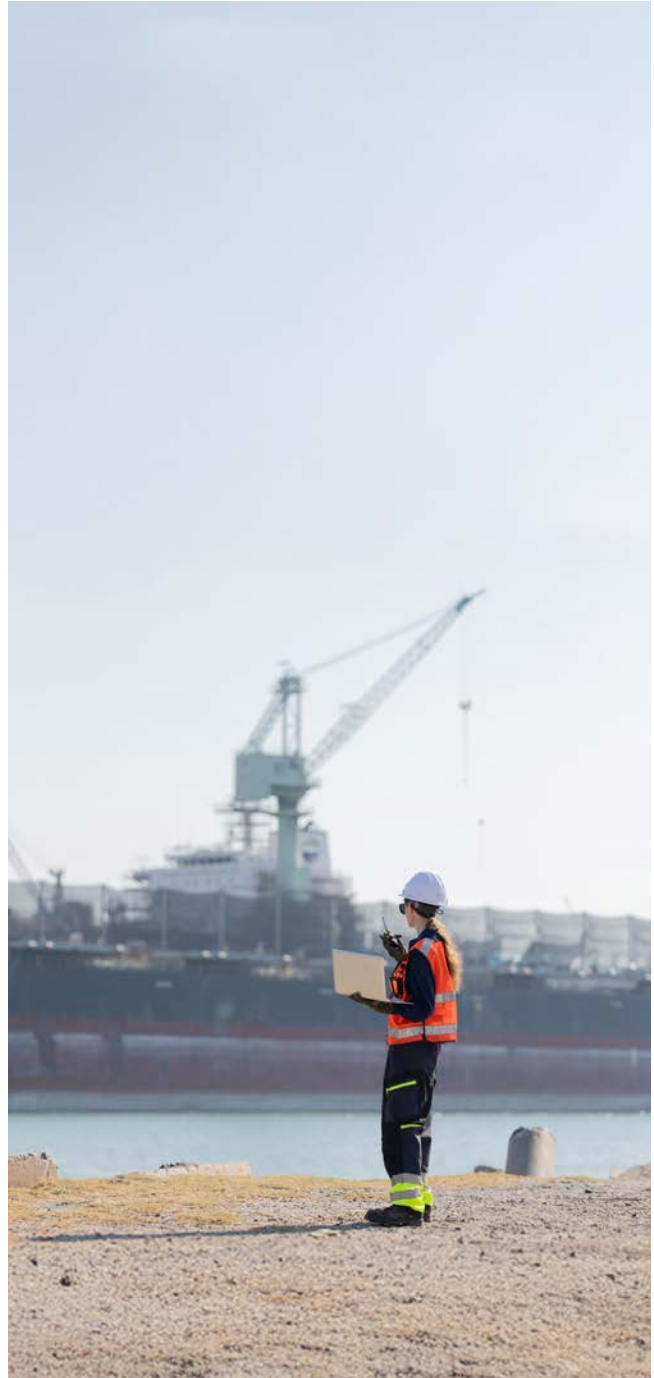
Trade exposure must be visible, measurable, and actionable at every level of the organization. Executives need a unified view of exposure across regions, suppliers, and product lines, supported by real-time insights that connect operational risk with financial impact.

Integrated analytics and risk-management capabilities consolidate trade, cost, and performance data into interactive dashboards—giving leaders a live, enterprise-wide view of how global developments influence margins, supply continuity, and compliance posture. Through connected data architecture, these insights incorporate real-time policy updates, supplier-risk indicators, and regulatory alerts to ensure that decision-makers across finance, supply chain, and procurement are aligned around a single source of truth. Embedded within enterprise governance frameworks, this intelligence links day-to-day operations with corporate oversight and audit processes—turning transparency into strategic control.

Together, these capabilities turn fragmented data into strategic intelligence, helping leadership teams make faster, better-aligned decisions under uncertainty.

Business impact

Unified visibility into trade risk enables faster, better-aligned decision-making across finance, supply chain, and procurement. Executives gain direct insight into margin impact, cash flow, and forecasting accuracy, while operational teams act on the same data to mitigate risk and maintain continuity. The result is tighter linkage between trade-risk management and enterprise performance, transforming visibility into resilience.



Unified trade

Response framework at a glance

The table below summarizes how a unified trade response connects capabilities across core business functions, turning trade disruption into coordinated enterprise action.

Function	Challenges	Core capabilities	Business outcomes
Finance	Trade changes alter landed cost, margin, and forecasts. Finance teams face immediate uncertainty when tariffs or policy shifts change the cost of goods sold. Traditional models often lack visibility into how these changes flow through pricing, margin, and working-capital forecasts.	Scenario-based modeling and integrated financial planning—enabled by connected data platforms such as SAP IBP, SAC, GTS, and BDC—link trade inputs directly to cost and revenue projections, allowing Finance to reforecast quickly and align with supply chain and procurement.	Improved margin protection, accurate landed-cost visibility, and greater forecasting confidence
Supply chain	Shipments must be rerouted and inventory plans rebalanced. A single tariff or logistics disruption can render planned routes and supplier allocations obsolete. Manual adjustments delay response and risk service continuity.	End-to-end supply network planning and adaptive sourcing, supported by intelligent platforms such as SAP IBP, BTP, and the SAP Business Network, allow planners to evaluate new routes, suppliers, and manufacturing options in real time.	Higher service levels, reduced disruption risk, and more resilient inventory management
Compliance	New tariffs and regulations increase documentation and filing burdens. Frequent updates to customs rules, classification codes, and trade-agreement eligibility present significant challenges to manual compliance processes and expose organizations to penalties.	Embedded, automated compliance and digital reporting through SAP GTS, S/4HANA, and Document & Reporting Compliance ensure that tariff classifications, FTA validations, and electronic filings stay current across all jurisdictions.	Lower compliance risk, faster border clearance, and seamless audit readiness
Executives/ Enterprise	Siloed functions limit visibility and slow cross-company decisions. Without a single view of trade exposure, leadership struggles to connect operational changes to financial performance and risk posture.	Enterprise-wide risk visibility and strategic alignment, achieved through connected analytics, governance frameworks, and integration platforms such as SAP SAC, BTP, and GRC, enable a unified response and data-driven decision making.	Unified trade insight across functions, faster decision cycles, and stronger resilience in volatile markets

Conclusion:

Trade strategy is now business strategy

Trade is no longer a back-office function—it's a board-level priority. Companies that invest in scenario modeling, real-time intelligence, and cross-functional coordination will not just withstand the next tariff or election—they'll lead through it.

The key is connecting strategy with execution so decisions translate into action across procurement, supply chain, compliance, and finance:



Model impacts before they disrupt.



Automate the compliance burden.



Monitor policy and geopolitical shifts proactively.



Make sourcing decisions with confidence.



Align risk views across leadership.

Organizations that take this unified approach will operate with confidence across borders, protect margins, and sustain continuity, even in volatile markets—ensuring resilience today and securing growth for the future.



Appendix: SAP capabilities mapping

The table below maps each capability within the unified trade response framework to the SAP solutions that enable it—illustrating how strategy translates into practical, system-enabled execution.

Capability Area	SAP solutions enabling this capability	Example use cases
Scenario-based planning and cost optimization	Integrated Business Planning (IBP), Analytics Cloud (SAC), Business Data Cloud (BDC), Global Trade Services (GTS)	“What-if” scenario modeling, landed-cost simulation, cost-to-serve forecasting
Operational trade compliance	Global Trade Services (GTS), S/4HANA, Document and Reporting Compliance	Manage trade compliance, maintain and manage product HS classification, customs filing, FTA qualification
Sourcing agility and supply chain resilience	Ariba Sourcing & Supplier Management, IBP, Business Technology Platform (BTP)	Supplier onboarding, sourcing optimization, rerouting workflows
Policy intelligence and risk monitoring	Business Technology Platform (BTP), Analytics Cloud (SAC), Governance Risk & Compliance (GRC)	Policy signal integration, real-time risk scoring, scenario modeling
Enterprise risk visibility and alignment	Analytics Cloud (SAC), BTP, GRC	Executive dashboards, unified risk reporting, governance integration

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