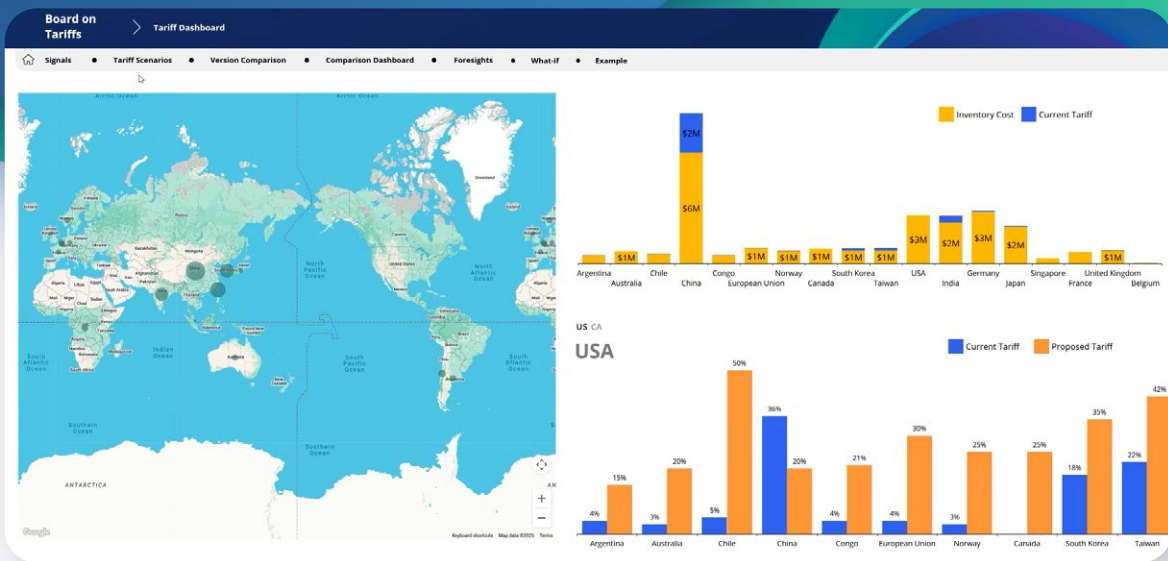




Tariff Modeling Solution

Tariffs, duties, freight costs, and FX fluctuations shift rapidly - often overnight. Traditional spreadsheets and siloed tools leave executives exposed to margin erosion, sluggish decision-making, and supply chain blind spots. Without integrated tariff modeling, organizations operate on outdated assumptions, limiting agility and resilience in today's volatile trade environment.



What Is Tariff Modeling?

Tariff modeling is a financial and scenario analysis process embedded within Enterprise Performance Management (EPM) and Integrated Business Planning (IBP) platforms. It enables organizations to simulate duty rate changes, trade policy shifts, and supplier alternatives—and see the impact on landed costs, margins, and sourcing strategies in real time.

How Board Supports Best-In-Class Tariff Modeling

- **Driver-based scenario models:** Users can build flexible scenarios (e.g. varying tariff percentages, trade agreement changes, supplier/region shifts) that feed directly into financial plans, budgets, and forecasts.
- **Granular landed cost calculation:** BOM-level traceability—component costs, supplier origin, freight, logistics surcharges, FX—so you see exactly where tariff exposures lie.
- **Supplier / logistics simulation:** Model changes in supplier, country, logistics mode, or trade route to see cost vs. time trade-offs. Evaluate nearshoring, dual sourcing, or alternate routes.

- **Integrated reporting and executive dashboards:** Unified dashboards for tariff exposure, scenario outcomes, margin impacts, and supplier risk are concurrently accessible to finance, procurement, supply chain, and leadership teams.
- **Real-time / frequent data updates:** Ability to ingest external tariff schedule changes, FX, policy changes to feed into scenario models.

Business Value

- **Reduce risk exposure:** Evaluate and anticipate risk from geopolitical or trade policy changes (E.g. Shifts in U.S.-China tariff negotiations.)
- **Protect margins:** Quantify the margin erosion if tariffs remain versus change, and commercial and merchandising teams can set more accurate targets on landed costs.
- **Optimized sourcing:** Supply chain models adapt sourcing strategies to safeguard demand plans and service levels by comparing suppliers in different regions.
- **More accurate landed costs:** Advanced implementations use predictive analytics to forecast landed costs based on factors like seasonal shipping rate variations, currency fluctuations, and changing trade regulations.
- **Support negotiations:** Show cost pressures to vendors and customers easily to support business case during negotiation.

Example Customer Use Case

Industry: Retail, Apparel Company

Board analyzes proprietary internal data:

1. Current supplier/vendor contracts (unit costs, volumes, currencies)
2. Bills of materials (BOM)
3. Logistics and shipping costs
4. Forecasted demand by product, category, and geography

Board Foresight provides real-time ingestion of external signals:

1. Tariff schedules from government/trade databases
2. Customs duties by product classification (HS codes)
3. FX rates (if multi-currency)
4. Geopolitical/trade policy scenarios (via providers like Prevedere, OECD, IMF, etc.)

Scenario engine creates what-if models across various assumptions:

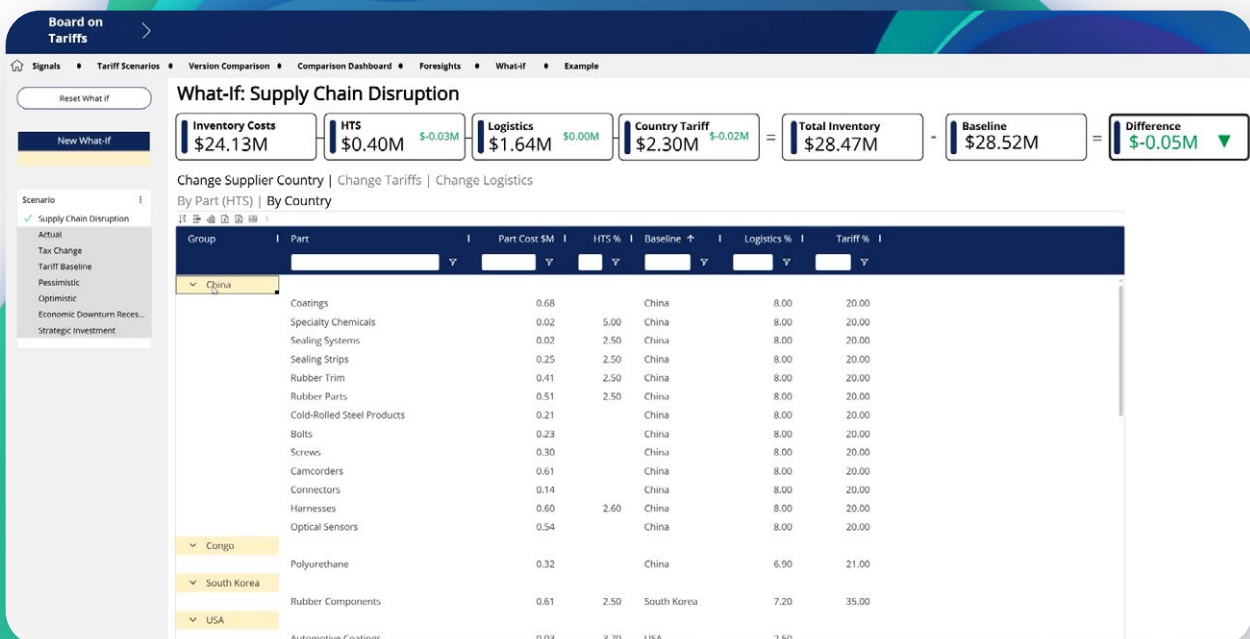
1. Create a baseline model with current tariff levels applied to all imports and exports to calculate estimated landed cost.
2. Model tariff increases: E.g., +5%, +10%, +25%
3. Apply new duties to specific categories: E.g., steel, aluminum, textiles, electronics, etc.
4. Incorporate trade agreement changes: E.g. USMCA vs. WTO vs. bilateral deals

Model additional dynamic calculations:

1. $\text{Tariff \%} \times \text{Import Volume} \times \text{Unit Cost} \rightarrow \text{Additional cost impact}$
2. Flow through into COGS, margins, and pricing models
3. Compare supplier alternatives (e.g., China vs. Vietnam vs. domestic)
4. Landed cost by product & region (before vs. after tariff changes)
5. Impact on gross margin (product/category/business unit)
6. Supplier comparison dashboards (optimal sourcing mix under each tariff scenario)
7. Profitability waterfall (where margin erosion occurs — tariffs, FX, shipping, etc.)

Create executive “What-If” dashboards:

1. If tariffs on Chinese textiles increase 15%, what does it do to our P&L and should we shift volume to Mexico?”
2. “What if tariffs on cotton rise 20%?”
3. Output shows landed cost increase so pricing decisions can be made (pass to consumer vs. absorb), sourcing shift can be analyzed, and the expected forecast impact on FY25 margins.



Why Board

Board is the enterprise planning platform trusted by global leaders to embed tariff modeling into financial and operational planning. Board enables organizations to move from reactive cost firefighting to proactive, margin-protecting strategy.

Turn cost and tariff volatility into competitive advantage with Board.

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