

NAVIGATING THE NEW TARIFF REALITY

Building Resilience:

Planning for Post-July 24 and Beyond

Facilitated by:

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Series Recap: Sessions 1 & 2

SESSION 1 — MARCH 12 & 17

The New Rules of U.S. Trade

- IEEPA tariff landscape and active legal challenges
- Section 122 / 301 / 232 overview and exposure map
- Iran/Hormuz escalation: compounding national security arguments
- Three Planning Scenarios introduced:

A — High-Tariff Plateau (12–15%)

B — Managed De-escalation (8–10%)

C — Renewed Escalation (16–17%)

SESSION 2 — MARCH 19 & 24

Audit, Protect & Recover

- HTS classification audit and cost mapping
- IEEPA refund eligibility and ACE/CAPE system status
- Supplier contract stress-testing for tariff clauses
- Three Importer Paths identified:

Path A — Importer of Record (refund focus)

Path B — Cost Pass-Through (renegotiation)

Path C — Mixed/Uncertain (audit first)

Today in Session 3: We put it all to work — model your numbers, diversify your supply chain, and prepare for July 24.

Building Resilience: 60-Minute Roadmap

01

Homework Check

Where are you with your Session 2 worksheets?

02

Scenario A/B/C Financial Modeling Workshop

Translate your HTS data into tariff impact projections

03

Supply Chain Diversification Roadmap

Near-shore, friend-shore, and de-risk before the cliff

04

Export Readiness as a Tariff Hedge

New international revenue that bypasses tariff exposure

05

Preparing Lenders & Your Board for July 24

The cliff conversation — framed, modeled, and ready to present


06

Advisory Follow-Through & Next Steps

WBDC ITC + ILDEC individual advisory scheduling

Session 2 Companion Worksheets: Where Are You?

WORKSHEET 1 — HTS COST MAPPING TABLE

HTS Code	Supplier / Origin	Unit Cost	Tariff % 	Added Cost
XXXX.XX.XX	Country of Origin	\$ ____	__%	\$ ____
XXXX.XX.XX	Country of Origin	\$ ____	__%	\$ ____
XXXX.XX.XX	Country of Origin	\$ ____	__%	\$ ____

WORKSHEET 2 — SUPPLIER CONTRACT STRESS-TEST GRID

Supplier	% of COGS	Contract Expiry	Tariff Clause?
Supplier A	__%	Expires ____	Yes / No
Supplier B	__%	Expires ____	Yes / No
Supplier C	__%	Expires ____	Yes / No

Completed Both

You're ready. Feed your HTS data directly into the Scenario A/B/C worksheet — you'll have real numbers, not placeholders.

Partially Completed

Start with **YOUR** top 3–5 HTS codes from Worksheet 1. That's enough to run today's model. You can backfill the rest after.

Not Yet Started

No problem. Today's session gives you the full framework. Schedule your one-on-one advisory session with me and we'll do it together.

Scenario A / B / C:

Financial Modeling Workshop

*You built your HTS cost map. You stress-tested your contracts.
Now we translate that data into the numbers your board and lenders need to act.*

A

**High-Tariff
Plateau**

Effective rate: 12–15%

B

**Managed
De-escalation**

Effective rate: 8–10%

C

**Renewed
Escalation**

Effective rate: 16–17%

What Each Scenario Means for Your Business

SCENARIO A — HIGH-TARIFF PLATEAU

12-15%

effective tariff rate

WHEN

Post-July 24 baseline — no new trade deals, courts affirm IEEPA authority

CASH FLOW

Margin compression of 2–4 pts. Renegotiate contracts immediately.

SUPPLY

Supplier switch or cost-absorption decision required within 60 days.

ACTION

Cost structure overhaul. Document refund eligibility. Lock alternative suppliers.

 *FC: Section 122 rate — 15% announced, no formal proclamation yet. Verify.*

SCENARIO B — MANAGED DE-ESCALATION

8-10%

effective tariff rate

WHEN

Bilateral deals move forward; USTR Section 301 resolves partially by Q3

CASH FLOW

Margin recovery of 1–2 pts if IEEPA refund processed and rates decline.

SUPPLY

Maintain primary suppliers while keeping alternative qualification active.

ACTION

Protect market share. Keep export pipeline open — don't halt for hope.

 *FC: Yale Budget Lab effective rate ~10.5% as of Mar 9. Verify weekly.*

SCENARIO C — RENEWED ESCALATION

16-17%

effective tariff rate

WHEN

Retaliation cycle resumes; Iran/Hormuz closed; new USTR 301 tariffs land

CASH FLOW

Margin destruction. Only firms with alternative sourcing survive intact.

SUPPLY

Diversification no longer optional — activate all qualified alternatives.

ACTION

Export revenue is a survival hedge. Secure credit lines before July 24.

 *FC: USMCA review process formally launched. Monitor for implications.*

Tariff Impact Model: Your Working Template

INPUT / METRIC	YOUR BASELINE (Enter Your Data)	SCENARIO A 12–15%	SCENARIO B 8–10%	SCENARIO C 16–17%
Annual imported input cost	\$ _____	← same as baseline	← same as baseline	← same as baseline
Applied tariff rate (use HTS map) ⚠	Current: ___ %	Use 13.5%	Use 9.0%	Use 16.5%
Annual tariff cost added (\$)	= Input Cost × Rate	= Input × 13.5%	= Input × 9.0%	= Input × 16.5%
As % of annual revenue	___ %	___ %	___ %	___ %
Gross margin impact (percentage pts)	Baseline	- ___ pts	- ___ pts	- ___ pts
<i>IEEPA refund potential (Path A only)</i>	\$ _____	\$ _____	\$ _____	\$ _____
NET EXPOSURE AFTER REFUND	\$ _____	\$ _____	\$ _____	\$ _____

HOW TO USE THIS TEMPLATE

STEP 1

Enter your annual imported input cost (from your HTS Cost Map). If you mapped multiple HTS codes, sum all tariff-exposed inputs.

STEP 2

Enter your current effective tariff rate per your HTS map. ⚠
Verify against Yale Budget Lab before presenting — ~10.5% effective as of Mar 9.

STEP 3

Calculate Scenario A/B/C columns using the midpoint rates shown. Your net exposure after IEEPA refund is your board and lender number.

⚠ **FC FLAGS:** (1) Applied tariff rates: Yale Budget Lab effective rate ~10.5% as of Mar 9 — adjust row 3 before presenting. (2) IEEPA refund / ACE-CAPE system: 40–80% complete as of Mar 11, no confirmed launch. Verify CBP Mar 19 CIT filing before citing refund timeline.

SUPPLY CHAIN

Supply Chain Diversification Roadmap

De-risk before the cliff.

The most dangerous assumption a manufacturer can make right now: *'Our supply chain is good enough.'*

Post-July 24, 'good enough' becomes a liability.

Your 4-Step Diversification Roadmap

01

Map Your Exposure

Rank inputs by tariff cost and supplier concentration

- Use your HTS Cost Map — identify your 3–5 highest-tariff inputs
- Flag single-source suppliers from China or other high-risk countries
- Calculate % of COGS sourced from each country of origin

02

Identify Alternatives

Near-shore, friend-shore, and domestic sourcing options

- Near-shore: Mexico (USMCA ⚠️ see FC), Canada — monitor USMCA review
- Friend-shore: Vietnam, India, Malaysia, Eastern Europe — lower tariff exposure
- Domestic: IMEC supplier match programs available for IL manufacturers

03

Launch a Parallel Qualification Track

Don't wait for crisis to qualify new suppliers — start now

- Target 1–2 alternative suppliers per critical high-tariff input
- Keep primary supplier active while parallel sourcing develops
- Typical qualification timeline: 90–180 days for manufacturing inputs

04

Contract for Flexibility

New agreements must include tariff adjustment provisions

- Require tariff pass-through or cost-sharing clauses in all new contracts
- Build in 60–90 day price renegotiation windows tied to tariff thresholds
- Explore bonded warehouse or Foreign Trade Zone (FTZ) options for staging

⚠️ **FC FLAG: USMCA** — U.S.-Mexico USMCA Review Process formally launched. Monitor for outcomes before citing Mexico as a clean near-shore option.

Export Readiness as a Tariff Hedge

Tariffs raise your input costs. Export revenue bypasses the domestic tariff perimeter entirely — and diversifies your customer base. For manufacturers already absorbing margin compression, adding international revenue is not a 'nice to have.' It is risk management.

01 EXPORT READINESS ASSESSMENT

- Do you have export-ready product documentation and pricing?
- Understand HS tariff schedules in your target markets
- WBDC ITC provides a free, structured Export Readiness Assessment
- Takes 45–60 min; produces a prioritized action checklist

02 MARKET IDENTIFICATION & ENTRY

- Prioritize markets with active U.S. FTAs: Canada, Korea, EU, Chile
- Research tariff schedules — your tariff-heavy inputs may be exempt abroad
- ILDEC executive mentors: in-market introductions and due diligence support
- WBDC ITC: market intelligence, buyer identification, distributor matching

03 EXPORT FINANCING & RISK TOOLS

- SBA Export Working Capital Program (EWCP) — bridge working capital gaps
- SBA International Trade Loan (ITL) — long-term export growth capital
- EXIM Bank guarantees — protect against foreign buyer default
- WBDC ITC can help you identify and apply for the right program

Preparing Your Lenders & Board for July 24

Present the Scenario Pro Forma

Show A/B/C projections for revenue, gross margin, and cash flow. Lenders want to see you've modeled the risk — not just acknowledged it. Use the slide 7 template as your backbone.

Document the Refund Opportunity

If you're Path A (Importer of Record), potential IEEPA refunds are a real financial asset. Include estimated refund recovery in your financing picture — it may materially offset your exposure.

Name the July 24 Cliff Explicitly

The 90-day IEEPA pause expires July 24, 2025. Model what a jump from ~10% to 15%+ does to your debt service coverage ratio. Present it before your lender asks for it.

Address the Legal Uncertainty Directly

Section 122 constitutionality is in court (24 states + small businesses, Manhattan CIT). Acknowledge the litigation; affirm operations continue under current rates while the case proceeds.

Present Your Mitigation Plan

Supply chain diversification timeline, contract renegotiation status, export pipeline activation — show the actions already underway. Boards and lenders fund plans, not anxiety.

Secure Credit Lines Before the Cliff

Draw on existing lines to build a cash buffer before July 24. Pre-emptive cash positioning is standard CFO practice — brief your board on the rationale and timeline.

 **FC FLAG:** Section 122 constitutionality — 24 states + small businesses challenging in Manhattan CIT. Current rates operative while litigation proceeds. Monitor for rulings.

CRITICAL DATE

JULY 24

2025

IEEPA 90-Day Pause Expires

- Reduced IEEPA pause rates revert to full unilateral tariff levels
- Section 122 rate trajectory becomes the operative baseline
- IEEPA refund window may close for entries made post-pause
- Contract price renegotiation windows become urgent — or close
- Iran/Hormuz status continues to compound Section 232 pressure

BEFORE JUNE 30

Finalize supply chain diversification decisions. Activate and begin paying qualified alternatives.

BEFORE JULY 10

Enroll in ACE/CAPE refund system if eligible (Path A). File all outstanding Section 301/232 protests.

BEFORE JULY 24

Secure credit facilities. Execute contract amendments. Brief board. Lock in tariff adjustment clauses.

 **FC FLAGS:** (1) Section 122 rate — 15% announced Feb 21 + Mar 4, no formal proclamation. Verify. (2) ACE/CAPE refund system — CBP filed Mar 19 progress report with CIT. Check status before presenting refund timeline.

WBDC ITC + ILDEC: How We Help From Here

WBDC | IL SBDC INTERNATIONAL TRADE CENTER

No-cost international trade advisory for Illinois manufacturers and exporters — funded through SBA cooperative agreement.

- Free Export Readiness Assessment (45–60 min, written output)
- HTS classification audit and tariff cost analysis support
- IEEPA refund eligibility review and ACE enrollment guidance
- International market entry strategy and market research
- Export financing guidance: SBA EWCP, ITL, EXIM programs
- Customs broker and freight forwarder referral network
- Foreign buyer identification and distributor matching

ILDEC | IL DISTRICT EXPORT COUNCIL

Peer-level export expertise from executives who have built successful international businesses across 50+ sectors.

- Executive-level market entry mentorship (no-cost)
- In-market introductions to partners, agents, and distributors
- Export compliance, documentation, and regulatory guidance
- Sector-specific international business advisory
- Connections to USEAC and U.S. Commercial Service network
- Due diligence support on foreign partners and buyers
- Peer networks across manufacturing, food, tech, and services

Five Steps from Session to Action

01

Complete Your Worksheet Package

HTS Cost Mapping Table + Supplier Contract Stress-Test Grid. Even partial completion — your top 3–5 inputs — is enough to build a real model and bring to your ITC session.

This week

02

Run Your Scenario A/B/C Pro Forma

Use today's modeling template. Calculate your tariff cost and margin impact under all three scenarios. This becomes your board document and lender presentation backbone.

Within 2 weeks

03

Identify Your Top 2 Supply Chain Actions

Pick your highest-tariff, highest-concentration inputs. Target one alternative supplier per input and launch qualification. Don't try to diversify everything at once.

Before May 15

04

Book Your Free ITC Advisory Session

One-on-one with Soraya Hernandez, IL SBDC ITC Director. Bring your worksheet data. Walk away with a written action plan tailored to your business.

Schedule now

05

Brief Your Board & Lender

Present your A/B/C scenario pro forma, mitigation plan, and July 24 readiness status. Use today's talking points and the 'Before July 24' countdown from slide 12.

Before June 30

Schedule now → wbdcsheduling.as.me/sorayahernandez | shernandez@wbdc.org | 312.853.3477 x690

Tools, Sources & Where to Go Next

WBDC IL SBDC ITC

www.wbdc.org

Free international trade advisory for IL manufacturers; export readiness, HTS audit, IEEPA refund guidance

ILDEC

www.ildec.org

IL District Export Council; executive mentorship, in-market partner introductions

USTR Trade Actions

ustr.gov

Section 301 investigation dockets, comment periods, hearing schedules — monitor weekly

SBA — Office of Int'l Trade

sba.gov/international-trade

EWCP, ITL, and other SBA export financing programs; exporter assistance resources

IMEC — Illinois MEP

www.imec.org

Manufacturing extension partnership; domestic supplier matching, operational resilience programs

CBP ACE Portal

ace.cbp.dhs.gov

IEEPA refund enrollment, entry status, protest filing ⚠️ FC: Verify ACE/CAPE system launch status

Yale Budget Lab

budgetlab.yale.edu

Effective tariff rate tracking ⚠️ FC: ~10.5% as of Mar 9 — verify current figure before quoting

HTS Database (USITC)

hts.usitc.gov

Harmonized Tariff Schedule lookup — verify product classification codes and duty rates

Take These With You

Trade Policy & Tariffs Outlook – Extended Briefing

19-page sourced briefing: SCOTUS analysis, 122/301/232 framework, IEEPA refund litigation, SOTU signals, Midwest sector impacts, 12 recommendations.



Trade Policy & Tariffs Outlook – Condensed Briefing

Executive summary version — key takeaways and recommendations for board presentations and leadership briefings.



Action Checklists – 5 Sector Tools

IEEPA Refund Audit | Self-contained Section 122/301 Risk Management | Agriculture | Manufacturing Supply Chain | Logistics



One-on-One Advisory

Schedule a one-on-one advisory session with me:

Soraya Hernandez, MBA
Director, IL SBDC ITC at WBDC

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Questions & Discussion

Series complete. Your work starts now.

Session 1: The New Rules of U.S. Trade March 12 & 17

Session 2: Audit, Protect & Recover March 19 & 24

Session 3: Building Resilience March 26

Share your feedback:



*Schedule One-on-One Advisory
Session: → shernandez@wbdc.org
Or:*



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Thank you and Let's Keep in Touch!



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