

## Introduction

Global trade has entered what can be termed the “Strategic Tariff Era.” The current geopolitical landscape suggests an intensification of tariff warfare that will fundamentally reshape how multinational enterprises (MNEs) approach their international operations. According to the WTO’s 2024 World Trade Report, the average global tariff rate increased from 2.9% in 2019 to 4.7% in 2023, marking the steepest rise in trade barriers since the 1930s. The report estimates that this has impacted over \$4.2 trillion worth of global trade flows.

When governments announce new strategic tariffs, companies often have just weeks to adjust their supply chains, reroute shipments, and develop mitigation strategies. This pattern of rapid deployment with limited notice has become increasingly common in the new economic battlefield.

This new era demands a complete reimagining of how organisations manage tariff-related challenges and opportunities. The shift from traditional trade policy tools to strategic economic instruments creates both significant risks and opportunities for organisations willing to invest in advanced tariff management capabilities.

## The New Reality of Strategic Tariffs

The transformation of tariffs from trade policy tools into weapons of economic warfare manifests in several critical ways that directly impact MNEs. Per the World Bank’s Global Economic Prospects 2024: *“Trade policy uncertainty, as measured by their Global Trade Uncertainty Index, reached an all-time high in Q4 2023, surpassing previous peaks during the 2018-2019 trade tensions. This uncertainty has led to a 17% increase in supply chain restructuring initiatives among Fortune 500 companies.”*

### Rapid-Response Tariff Actions

According to the WTO's World Trade Statistical Review 2023, the number of new trade-restrictive measures implemented by G20 economies increased by 48% between October 2022 and October 2023. The speed and unpredictability of tariff changes have increased dramatically in recent years. **When tariffs are announced, organisations often have just weeks to:**

- **Evaluate the impact across their supply networks;**
- **Identify alternative sourcing options;**
- **Implement new compliance processes;**
- **Adjust pricing strategies;**
- **Communicate changes to stakeholders.**

### **Expanded Scope and Sophistication**

Today's tariff actions extend far beyond traditional trade disputes to encompass broader geopolitical objectives. Modern tariff programs increasingly combine multiple elements:

- Non-tariff barriers;
- Regulatory requirements;
- Origin rules modifications;
- Valuation challenges;
- Licensing restrictions.

This complexity creates what we term “compound compliance challenges” that traditional management approaches struggle to address. Organisations with manufacturing facilities across multiple jurisdictions face particular difficulties in optimising their production networks and supply chains against this volatile backdrop.

Accordingly, the OECD's 2023 Digital Trade Restrictions Index shows that: Non-tariff barriers have increased by **84%** since 2019; Technical barriers to trade affect **68%** of global import; And, regulatory compliance costs have risen by **31%** for multinational enterprises.

## Strategic Industry Targeting

Modern tariff programs increasingly target specific industries or technologies, creating complex ripple effects throughout global supply chains. These targeting patterns require organisations to develop sophisticated monitoring and response capabilities across their entire operational footprint. A 2023 Peterson Institute for International Economics study found that targeted tariffs now affect over 27% of global trade, compared to just 12% in 2018. Semiconductor-related tariffs alone impact approximately \$15 billion in annual trade flows between major economies.

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## The Strategic Imperative for MNEs: A Framework for Success in the New Tariff Landscape

Traditional reactive approaches to tariff management, largely based on manual processes and siloed systems, no longer suffice. Organisations must transition to what we term “**Strategic Tariff Intelligence**” (STI) – a comprehensive, proactive framework for managing tariff-related challenges.

### The Four Pillars of Strategic Tariff Intelligence

Based on our study of high-performing organisations, we’ve identified four critical pillars that form the foundation of successful tariff management:

#### 1. Predictive Monitoring and Analysis

Organisations need sophisticated monitoring capabilities that extend beyond simple tariff tracking, including political and economic trend analysis, impact simulation across multiple scenarios, early warning systems, and cross-border trade flow optimisation.

According to McKinsey's 2023 Global Survey on Supply Chain Management, organisations with advanced monitoring capabilities: Identify potential tariff impacts **2.5x** faster than competitors; Reduce tariff-related costs by an average of **23%**; And, achieve **31%** better compliance rates.

## 2. Supply Chain Flexibility

Supply chain flexibility has emerged as a critical success factor in tariff management, requiring:

- Multiple sourcing options across different jurisdictions;
- Rapid supplier qualification processes;
- Modular manufacturing capabilities;
- Robust logistics networks.

The World Bank's 2023 Global Value Chain Development Report indicates that companies with diversified supplier networks across 3+ countries experienced **42% less disruption** from tariff changes compared to those relying on single-country sourcing. Top performers maintain alternative suppliers for at least **73%** of critical components and can qualify new suppliers **60%** faster than industry averages.

## 3. Strategic Compliance Management

In the Strategic Tariff Era, compliance must be elevated from a back-office function to a strategic imperative, encompassing:

- Integration of compliance considerations into strategic planning;
- Automation of compliance processes;
- Proactive compliance strategies;
- Strong relationships with customs authorities.

According to Thomson Reuters' 2023 State of Corporate Global Trade Compliance Report, companies with automated compliance processes:

- Reduce processing time by **65%**;

- Organisations with proactive compliance programs experience **47%** fewer tariff-related disruptions;
- Firms maintaining active dialogue with customs authorities see **28%** faster resolution of trade issues.

#### 4. Data-Driven Decision Making

Making success in the new tariff landscape requires sophisticated data analytics capabilities:

- Real-time data collection across global operations;
- Advanced analytics for tariff impact assessment;
- Dynamic decision-making frameworks.

Gartner's 2023 Supply Chain Technology User Wants and Needs Survey reveals that **92%** of leading organisations capture tariff-related data in real-time; Companies using advanced analytics achieve **38%** better duty optimisation; And, organisations with sophisticated decision-making frameworks respond **41%** faster to tariff changes.

## How Viictor Transforms Tariff Management

According to Gartner's 2023 Market Guide for Global Trade Management Software, while AI and machine learning capabilities in global trade management are still emerging, they show particular promise in areas like automated product classification, risk assessment, and compliance monitoring. **Viictor** represents a game-changing approach to addressing these challenges through its innovative implementation of the Strategic Tariff Intelligence framework. Its design fundamentally reimagines how organisations can manage tariff-related complexities in the modern era, as summarised hereafter.

### Focused Tariff Impact Assessment and Strategic Response

The fundamental challenge in strategic tariff management is effectively assessing the impact of tariff changes across global operations and developing coordinated responses. Viictor addresses this challenge by providing a practical, structured approach to tariff intelligence that empowers compliance teams.

## 1. Enhanced Tariff Impact Visibility

When governments announce new strategic tariffs, Viictor helps compliance teams:

- Systematically identify affected products across your portfolio;
- Quantify potential financial exposure across key suppliers, manufacturing sites, and markets;
- Prioritize supply chains and revenue streams at greatest risk;
- Generate evidence-based duty impact projections under realistic scenarios.

This enhanced visibility helps compliance professionals make informed recommendations to executive leadership during the critical window after tariff announcements. Rather than struggling with manual data collection from disparate systems, Viictor provides compliance teams with the consolidated tariff information they need to drive strategic decisions.

## 2. Coordinated Response Management

Navigating tariff-based trade conflicts requires coordinated action across multiple business functions and external partners. Viictor supports this coordination by:

- Providing a structured platform for assessing alternative sourcing options;
- Supporting comparative analysis of supply chain reconfiguration costs;
- Facilitating collaboration with customs brokers on classification strategies;
- Standardising documentation preparation for tariff exclusion requests;
- Supporting eligibility assessment for special trade programs.

Rather than automating these complex decisions (which is non-sense to whoever has worked in a Trade Department), Viictor equips compliance professionals with the tools to make informed recommendations and implement approved strategies

more effectively.

## **Proactive Monitoring and Scenario Analysis**

In today's complex trade environment, anticipating potential tariff actions provides valuable preparation time. Viictor supports compliance teams with enhanced monitoring capabilities and scenario planning tools:

### **1. Structured Tariff Risk Monitoring**

Viictor helps compliance teams maintain awareness of developing tariff risks by providing a framework for monitoring:

- Relevant trade policy developments in key jurisdictions;
- Emerging bilateral tensions that could lead to tariff actions;
- Industry-specific vulnerability patterns affecting your sectors;
- Historical tariff patterns that suggest potential responses;
- Regulatory signals that may indicate forthcoming tariff changes.

This structured approach to monitoring helps experienced compliance professionals identify potential issues earlier, giving the organisation more time to prepare contingency plans before tariffs are formally announced.

### **2. Evidence-Based Scenario Analysis**

When potential tariff threats are identified, compliance teams need to evaluate multiple response scenarios. Viictor provides analytical support for:

- Modeling financial impacts of potential tariffs at realistic rates;
- Evaluating alternative manufacturing and sourcing configurations;
- Assessing classification strategies that align with compliance requirements;
- Comparing production relocation costs against estimated duty expenses;
- Analyzing inventory positioning options to manage implementation timing.

These analytical capabilities help compliance professionals develop well-reasoned contingency plans for various tariff scenarios, enabling faster response when tariffs are actually implemented. The system supports natural language queries (e.g. Decision-makers can ask natural language questions like “What if US imposes 25% tariffs on our electronic components?”) while ensuring that final decisions remain with experienced compliance professionals who understand the nuances of regulatory requirements and business priorities.

### **Knowledge Management for Consistent Tariff Strategy**

Organisations with a systematic approach to learning from tariff experiences build competitive advantage over time. Viictor supports this organisational learning through practical knowledge management:

#### **1. Systematic Experience Documentation**

As organizations navigate global tariff challenges, Viictor helps compliance teams document:

- Industry and product-specific tariff patterns affecting your business;
- Effectiveness of various mitigation approaches in different contexts;
- Leading indicators that provided advance warning of previous actions;
- Supply chain adjustments that proved most practical and effective;
- Successful strategies for exclusion requests in relevant jurisdictions.

This systematic documentation helps organisations build institutional expertise over time, with each tariff experience contributing to more effective responses in the future.

#### **2. Preserving Strategic Tariff Navigation Expertise**

Staff transitions in compliance departments can create significant knowledge gaps, particularly regarding tariff navigation strategies. Viictor helps preserve critical expertise by maintaining records of:

- Tested duty mitigation approaches that met compliance requirements;
- Product classification precedents that withstood regulatory scrutiny;
- Supply chain adjustments that successfully addressed tariff impacts;
- Documentation standards for exclusion requests and protests;
- Region-specific insights gained through experience with local authorities.

This knowledge continuity helps organisations maintain consistent tariff strategy even when experienced team members depart, providing new staff with valuable historical context and proven approaches. While Viictor preserves this institutional knowledge, the system recognises that skilled compliance professionals must apply this knowledge appropriately in each unique situation.

## Why Invest in Viictor Now?

The timing for implementing advanced tariff management capabilities is crucial. The increasing complexity of global trade, combined with rapid regulatory changes like CBAM and EUDR, creates an unprecedented need for intelligent solutions that can adapt to this evolving landscape.

[Viictor](#)'s innovative approach to tariff management offers several key advantages, as summarised hereafter.

### Measurable Benefits in Tariff Response Capability

As tariffs increasingly function as economic weapons, the financial impact of effective tariff defense becomes more significant. According to Deloitte's 2023 Global Trade Management Survey:

- Companies with structured tariff intelligence processes typically reduce duty expenditures by 15-25% during trade conflicts
- Organisations with established scenario planning capabilities generally respond to new tariffs 40-50% faster
- Firms with systematic knowledge management approaches report 20% better margin preservation during tariff disputes

Viictor helps compliance teams achieve these performance improvements through practical capabilities:

- Supporting more effective product classification decisions to minimize unnecessary tariff exposure
- Streamlining compliance workflows as filing requirements become more complex
- Providing analytical support for inventory planning before tariff implementation
- Facilitating faster assessment of alternative sourcing options when tariffs are announced

### **Practical Advantages in Managing Tariff Challenges**

Organisations with the right tools and processes for tariff management can convert challenges into opportunities for competitive differentiation:

#### **1. Enhanced Decision-Making During Tariff Events**

When competitors struggle with sudden tariff announcements, companies using Viictor can achieve practical advantages:

- More informed assessment of alternative supplier options in non-targeted countries;
- Better ability to provide pricing stability through clearer understanding of tariff impacts;
- Well-supported product specification adjustments that may qualify for different classifications;
- Data-driven inputs for customer negotiations during periods of tariff uncertainty.

These capabilities help transform tariff management from a purely defensive necessity into a potential source of competitive differentiation. As competitors struggle with disruption, better-prepared organisations can provide more reliable service and pricing.

## 2. Addressing Decision Delays During Tariff Uncertainty

Many organizations face decision paralysis during tariff conflicts due to:

- Difficulties in assessing exposure across complex global operations;
- Challenges in evaluating viable response options with limited information;
- Uncertainty about financial implications of different strategies;
- Risk aversion when making decisions with incomplete data.

Viictor helps compliance teams address these challenges by providing:

- Structured methods for quantifying exposure across products and markets;
- Comparative analysis of response options with realistic financial projections;
- Implementation support for approved strategies;
- Performance tracking as strategies are implemented.

This improved decision support helps organisations move forward confidently even during periods of significant tariff uncertainty.

## Strategic Implementation Approach: The Path to Success

McKinsey's 2024 Digital Operations Report indicates successful digital trade transformations typically achieve:

- 45% reduction in customs clearance time;
- 33% decrease in trade compliance personnel costs;
- 52% improvement in duty optimisation;
- 67% reduction in compliance-related delays.

To maximise the value of Viictor while minimising disruption, organisations should consider a phased implementation approach:

## **Immediate Actions (0-6 months): Proof of Value and Initial Setup**

Organisations should begin by establishing their foundational capabilities:

### **1. Assessment and Scoping**

- Schedule an introductory meeting with Vivansa to discuss specific trade compliance challenges;
- Conduct a scoping meeting to identify priorities and customization requirements;
- Align capabilities through a structured discovery process.

### **2. Proof of Value (PoV) Engagement**

- Execute a focused 2-4 month [Proof of Value](#) targeting specific high-priority pain points
- Define clear success criteria through a formal “win agreement”
- Begin building your organisation’s secure internal knowledge base
- Convert PoV investment into purchase credit upon successful completion

This approach allows organisations to validate Viictor’s value in their specific environment before committing to full implementation.

## **Medium-Term Actions (6-18 months): Full Implementation and Ecosystem Development**

The focus shifts to expanding capabilities and deepening integration:

### **1. Viictor Setup and Configuration**

- Implement Viictor’s full capabilities over a 4-6 month period
- Configure integration with existing systems (ERPs, GTM software, transport

management systems)

- Establish necessary data connections and compliance control points
- Provide comprehensive training for staff

## **2. Ecosystem Integration and Process Transformation**

- Extend Viictor's integration across organisational boundaries
- Implement secure connections with customs brokers, freight forwarders, and other partners
- Redesign key processes around new capabilities
- Develop proactive response protocols

## **3. Partner Ecosystem Development**

The 2023 Thomson Reuters Global Trade Survey reveals that:

- 78% of companies plan to increase integration with customs brokers
- Organisations with fully integrated partner ecosystems report 43% fewer compliance issues
- Real-time information exchange reduces customs delays by 56%

To ensure optimal partner ecosystem development, organisations can therefore take advantage of Viictor to:

- Expand integration with customs brokers and freight forwarders;
- Implement collaborative planning capabilities;
- Develop shared visibility platforms;
- Enable real-time information exchange.

## **Long-Term Actions (18+ months): Advanced Analytics and Ecosystem Optimisation**

Organisations should focus on achieving comprehensive trade management capabilities that combine proven technologies with emerging innovations:

## 1. Advanced Analytics Implementation

According to Gartner's Market Guide for Global Trade Management Software, organisations should take a measured approach to analytics advancement. This means:

- Implementing foundational analytics capabilities first, focusing on areas with clear business value like duty calculation optimisation and compliance monitoring. As Gartner notes, basic automation of these processes can significantly reduce manual workload and error rates.
- Gradually incorporating more sophisticated analytics capabilities as they mature. While artificial intelligence and machine learning show promise in areas like product classification and risk assessment, Gartner recommends viewing these as complementary technologies rather than complete solutions.
- Maintaining appropriate human oversight and validation processes, especially for compliance-critical decisions.

This recommendation fully aligns with Vivansa's emphasis on the importance of combining technological capabilities with domain expertise, as materialized by **Viictor "your new AI-powered colleague"**.

## 2. Ecosystem Optimisation

Drawing from Gartner's analysis of global trade management trends, organisations should prioritise:

- Integration of verified data sources and systems: Focus on establishing reliable connections with customs authorities, trusted trading partners, and validated information providers;
- Implementation of comprehensive visibility solutions: Build capabilities to track and manage trade operations across the entire supply chain, with particular attention to compliance-sensitive touchpoints;
- Development of collaborative workflows: Create structured processes that allow internal teams and external partners to work together effectively while maintaining compliance controls.

This measured approach to technological advancement, grounded in Gartner's analysis, helps organisations build a solid foundation for future innovation while managing current compliance requirements effectively. It acknowledges that while AI and advanced analytics hold significant promise for global trade management, their implementation should be strategic and carefully validated rather than rushed.

By taking this balanced approach, organisations can leverage Viictor's capabilities in a way that aligns with industry best practices while preparing for future advancements in trade management technology.

## Conclusion: Building Sustainable Tariff Management Capability

The weaponization of tariffs represents a permanent shift in the global trade battlefield. Companies that rely on traditional, reactive approaches to tariff management will increasingly find themselves at a strategic disadvantage – facing margin erosion, supply disruptions, and market share loss when tariffs strike their industries.

Viictor transforms how organizations experience tariff conflicts by implementing the Strategic Tariff Intelligence framework. Unlike conventional approaches that merely track tariff changes, Viictor provides a comprehensive tariff defense system:

- **Enhanced visibility** into potential tariff impacts across the organisation's operations;
- **Structured support** for coordinating responses across business functions and external partners;
- **Systematic monitoring** of developing tariff risks and regulatory changes;
- **Analytical tools** for evaluating response options under different scenarios;
- **Knowledge management** that preserves institutional expertise and successful approaches;
- **Practical workflows** that help teams implement approved strategies effectively.

In the evolving tariff landscape, strong tariff management capabilities increasingly influence competitive positioning. Organisations that develop these capabilities can respond more effectively to tariff challenges while maintaining business continuity during periods of significant change.

As geopolitical factors continue to transform tariffs from simple revenue instruments into strategic economic tools, organisations that invest in sophisticated tariff management capabilities now will be better positioned to navigate the increasingly complex global trade environment of the next decade.

For organisations seeking to strengthen their approach to tariff management in an increasingly complex trade environment, exploring Viictor's Strategic Tariff Intelligence capabilities represents a practical step toward building more sustainable compliance operations.

[Contact Vivansa](#) today to [schedule a personalised introduction](#) to Viictor and discover how your organization can transform tariff vulnerability into strategic advantage in the new economic battlefield.

This analysis reflects Vivansa's vision for the future of global trade management and our commitment to developing innovative solutions that address the evolving challenges of international trade.

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### About the Author



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*Vivien MONTI is the founder, co-owner and CEO of Vivansa, the eCustoms People.*

*Vivien is passionate about IT, which he has put into practice by participating in the major reforms carried out by the European Commission (TAXUD) in the field of customs over the last 20 years. Vivien holds an MSc in Engineering and Management of Telecommunication Networks from the Institut Polytechnique de Paris - Telecom SudParis, which he complemented with an MSc in Customs & Supply Chain Compliance at the Rotterdam School of Management (RSM). He is the author of the landmark research paper "Digitalisation of Customs compliance for companies operating globally" (2020). Vivien can be contacted at [vivien.monti@vivansa.com](mailto:vivien.monti@vivansa.com).*