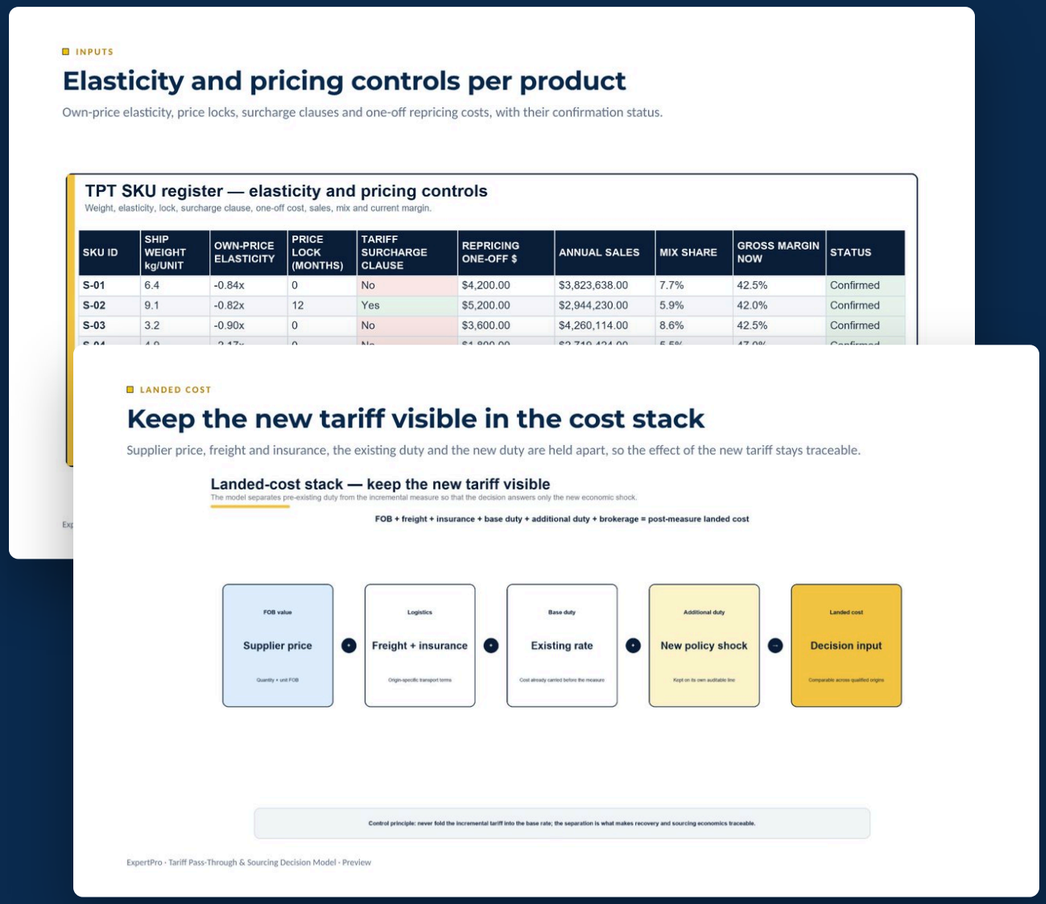
EXPERT PRO
EXPERTOS EN PROYECTOS

PRODUCT PREVIEW · GUIDED TOUR

Tariff Pass-Through & Sourcing Decision Model

Decide product by product whether to absorb a tariff, reprice in full or in part, or move origin, on a 36-month differential NPV.

4 strategies | 36-month NPV | 62 checks | No Solver



Illustrative demonstration data from the worked example. Not investment advice. 10 pages.

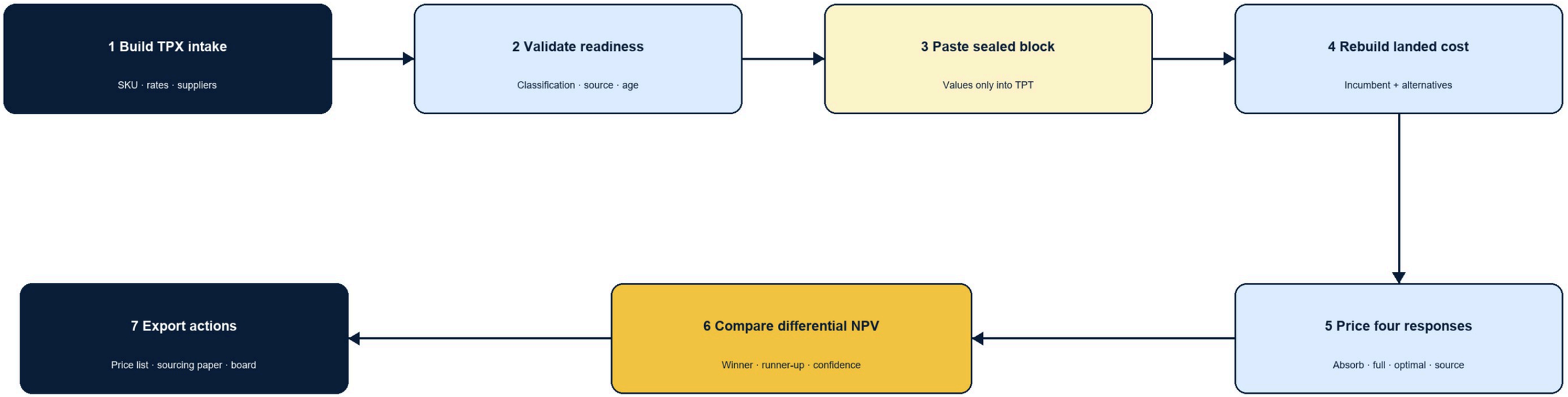
THE WORKFLOW

From tariff evidence to an executable action list

The companion validates classifications and rates before the decision model prices each product and seals the approved actions.

Tariff response workflow — from evidence to executable action

The companion validates classification and rates before the decision model prices each SKU and seals the approved action list.



LANDED COST

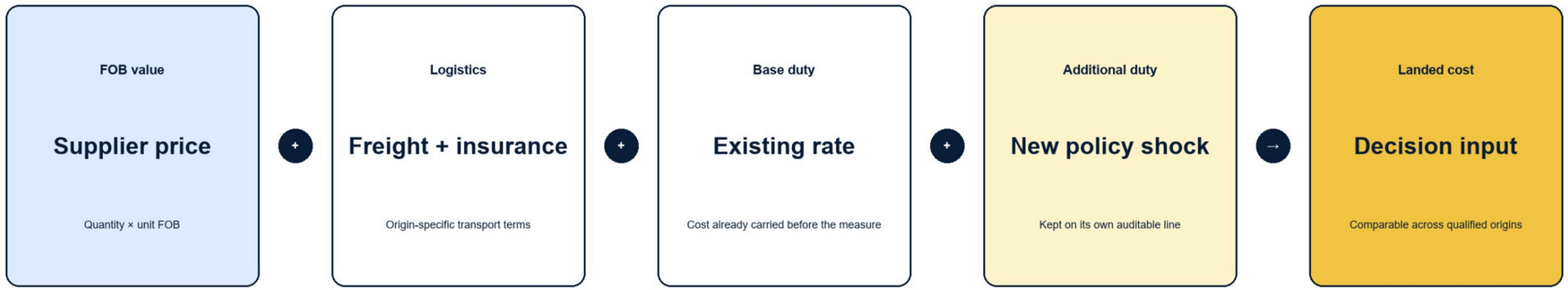
Keep the new tariff visible in the cost stack

Supplier price, freight and insurance, the existing duty and the new duty are held apart, so the effect of the new tariff stays traceable.

Landed-cost stack — keep the new tariff visible

The model separates pre-existing duty from the incremental measure so that the decision answers only the new economic shock.

FOB + freight + insurance + base duty + additional duty + brokerage = post-measure landed cost



Control principle: never fold the incremental tariff into the base rate; the separation is what makes recovery and sourcing economics traceable.

THE RESPONSES

Four mutually exclusive responses per product

Absorb, full pass-through, a closed-form optimal partial pass-through, or a change of origin, each valued the same way.

Four mutually exclusive tariff responses

Each SKU is valued against the same pre-tariff baseline, over the same horizon and with the same discount factors.

Choose the response with the highest differential NPV — then disclose the gap to the runner-up.



A mixed portfolio answer is expected: elasticity, post-duty margin, qualified alternatives and switching economics differ by SKU.

INPUTS

Elasticity and pricing controls per product

Own-price elasticity, price locks, surcharge clauses and one-off repricing costs, with their confirmation status.

TPT SKU register — elasticity and pricing controls

Weight, elasticity, lock, surcharge clause, one-off cost, sales, mix and current margin.

SKU ID	SHIP WEIGHT kg/UNIT	OWN-PRICE ELASTICITY	PRICE LOCK (MONTHS)	TARIFF SURCHARGE CLAUSE	REPRICING ONE-OFF $	ANNUAL SALES	MIX SHARE	GROSS MARGIN NOW	STATUS
S-01	6.4	-0.84x	0	No	$4,200.00	$3,823,638.00	7.7%	42.5%	Confirmed
S-02	9.1	-0.82x	12	Yes	$5,200.00	$2,944,230.00	5.9%	42.0%	Confirmed
S-03	3.2	-0.90x	0	No	$3,600.00	$4,260,114.00	8.6%	42.5%	Confirmed
S-04	4.9	-2.17x	0	No	$1,800.00	$2,719,424.00	5.5%	47.0%	Confirmed
S-05	17.5	-0.82x	18	Yes	$6,800.00	$2,866,175.00	5.8%	41.0%	Confirmed
S-06	4.1	-2.01x	0	No	$1,200.00	$623,503.00	1.3%	48.0%	Confirmed
S-07	12.8	-0.80x	24	Yes	$6,200.00	$1,732,072.50	3.5%	42.5%	Confirmed
S-08	2.7	-1.96x	0	No	$1,000.00	$495,494.00	1.0%	48.5%	Confirmed

Source: ExpertPro · TPT_Tariff_PassThrough_Decision_Model_v1.0.0.xlsx · Inp_SKU!C5:S13 · demonstration data.

THE OUTPUT

A ranked decision memo

Products ranked by tariff exposure, each with a recommendation and the exact price move or sourcing switch to execute.

Decision memo — ranked actions (1/2)

Rank, SKU, product, exposure, recommendation and executable action for the visible portfolio.

RANK	SKU	PRODUCT	CAT	ANNUAL SALES	TARIFF EXPOSURE	RECOMMENDATION	WHAT TO DO
1	**S-03**	Directional valve DV-32	CAT-A	$4,260,114.00	$202,435.20	Full pass-through	4.8% price increase to 275.47, from month 1.
2	**S-01**	Gear pump GP-160	CAT-A	$3,823,638.00	$184,202.40	Full pass-through	4.8% price increase to 426.37, from month 1.
3	**S-13**	VFD drive VF-7K	CAT-B	$3,399,192.00	$152,550.00	Full pass-through	4.5% price increase to 1,315.46, from month 1.
4	**S-02**	Gear pump GP-240	CAT-A	$2,944,230.00	$145,564.20	Full pass-through	4.9% price increase to 605.84, from month 1.
5	**S-05**	Hydraulic cylinder HC-80	CAT-A	$2,866,175.00	$136,604.00	Full pass-through	4.8% price increase to 923.93, from month 1.
6	**S-14**	VFD drive VF-15K	CAT-B	$2,683,652.40	$123,420.00	Full pass-through	4.6% price increase to 2,126.57, from month 1.
7	**S-04**	Directional valve DV-50	CAT-A	$2,719,424.00	$117,235.20	Re-source	Move to O2, ramp 5 months, payback 17 months.
8	**S-17**	Welded frame WF-2000	CAT-C	$3,074,385.00	$100,901.00	Full pass-through	3.3% price increase to 1,548.92, from month 1.
9	**S-09**	PLC I/O module IO-16	CAT-B	$2,345,856.00	$100,800.00	Re-source	Move to O2, ramp 5 months, payback 21 months.
10	**S-12**	Motor starter MS-22	CAT-B	$2,389,010.00	$93,437.50	Re-source	Move to O2, ramp 5 months, payback 22 months.

Source: ExpertPro · TPT_Tariff_PassThrough_Decision_Model_v1.0.0.xlsx · Out_Decision!C5:J15 · demonstration data.

WORKED DEMO

What the 30-product demo shows

A flow-equipment manufacturer with six origins and USD 49.5 million of sales. Figures demonstrate the method only.

USD 1,963,358

Annual duty impact

4.0% of sales

USD 2,493,956

36-month value

Against absorbing the tariff everywhere

78.5%

Portfolio pass-through

8 absorb, 19 reprice, 3 move origin

41.0%

Gross margin after actions

Against 38.7% under full absorption

58%

Duty recovered

In annual gross profit

22.4 months

Longest switch payback

Inside a 24-month ceiling

CONTROLS

Sixteen of the verifications, live

Every check shows its formula result, its severity and its status before the board handoff is released.

TPT verification battery — checks 01–16

Input integrity, rate boundaries, landed-cost logic and portfolio reconciliations.

ID	Verification	Result (live)	Severity	Status
CHK-TPT-01	Every SKU carries a category that exists in the category list.	TRUE	ERROR	OK
CHK-TPT-02	Every SKU carries an incumbent origin that exists in the origin table.	TRUE	ERROR	OK
CHK-TPT-03	SKU identifiers are unique.	TRUE	ERROR	OK
CHK-TPT-04	Origin codes are unique.	TRUE	ERROR	OK
CHK-TPT-05	Every SKU carries a positive volume and a positive selling price.	TRUE	ERROR	OK
CHK-TPT-06	Every own-price elasticity is strictly negative.	TRUE	ERROR	OK
CHK-TPT-07	No SKU carries negative imported content, domestic content or shipping weight.	TRUE	ERROR	OK
CHK-TPT-08	Every duty and additional-duty rate sits between zero and one hundred per cent.	TRUE	ERROR	OK
CHK-TPT-09	Every price lock sits inside the decision horizon.	TRUE	ERROR	OK
CHK-TPT-10	The post-tariff unit cost is never below the pre-tariff unit cost.	TRUE	ERROR	OK
CHK-TPT-11	Every SKU sells above its pre-tariff unit cost.	TRUE	ERROR	OK
CHK-TPT-12	The landed-cost stack adds up on every SKU, to the dollar.	TRUE	ERROR	OK
CHK-TPT-13	Annual sales reconcile to the sum of the SKU register.	TRUE	ERROR	OK
CHK-TPT-14	The gross profit bridge closes: base less the tariff hit plus what is recovered equals the result.	TRUE	ERROR	OK
CHK-TPT-15	The strategy table reconciles to the run total for both recovery and NPV.	TRUE	ERROR	OK
CHK-TPT-16	The category table reconciles to the run totals for sales and for the tariff hit.	TRUE	ERROR	OK

Source: ExpertPro · TPT_Tariff_PassThrough_Decision_Model_v1.0.0.xlsx · Checks!B4:F20 · demonstration data.

WHAT YOU RECEIVE

What is in the download

Format: Excel + ZIP.

XLSX	The 14-sheet decision model
XLSX	The 13-sheet SKU, supplier and cost intake workbook
GUIDE	A 67-page illustrated user manual
DEMO	A complete 30-product demo

Before you buy

- Desktop Excel 2019 or Microsoft 365. No macros.
- Not a duty-rate database: you enter the applicable rates.
- It does not classify goods or provide customs, legal or tax advice.
- Elasticity is an input; competitor responses are not predicted.

Every workbook opens on the complete worked example, so you can follow the finished answer before entering your own data.

WHO BUILT IT

Built by the ExpertPro team

ExpertPro builds the financial and decision infrastructure behind capital projects, at the intersection of project finance, engineering economics and data.

7	100+	15+	50+
senior specialists	years of combined experience	professional certifications	delivered projects

The team

- Project finance and public-private partnerships, PMP® and APMG CP3P® certified
- Data architecture and data science, led by a mathematician
- Process automation and governance, with more than twenty years in banking
- Information security and compliance: ISO/IEC 27001 Lead Auditor and CEH
- Enterprise systems integration and machine-learning engineering

Every model

- Built to the FAST Standard 02c: Flexible, Appropriate, Structured, Transparent
- No macros and no hidden logic; one formula per calculation row
- A documented source and status behind every input
- A checks panel that must read green before results leave the workbook
- A complete user manual and a worked demonstration case

Master's degrees in industrial engineering, information technology and business, a degree in mathematics, and programmes from MIT (applied AI) and HarvardX (data science). Delivery in five Latin American countries, across energy and utilities, transport, logistics, agroindustry and healthcare.