# CSCMP 2025 edge™ SUPPLY CHAIN

## EUROPEAN CONFERENCE

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European Research Seminar (ERS) ON LOGISTICS & SCM

UNIVERSITÀ di VERONA

# Tariff Response by ToolsGroup

## Intelligent Tariff Response Planning

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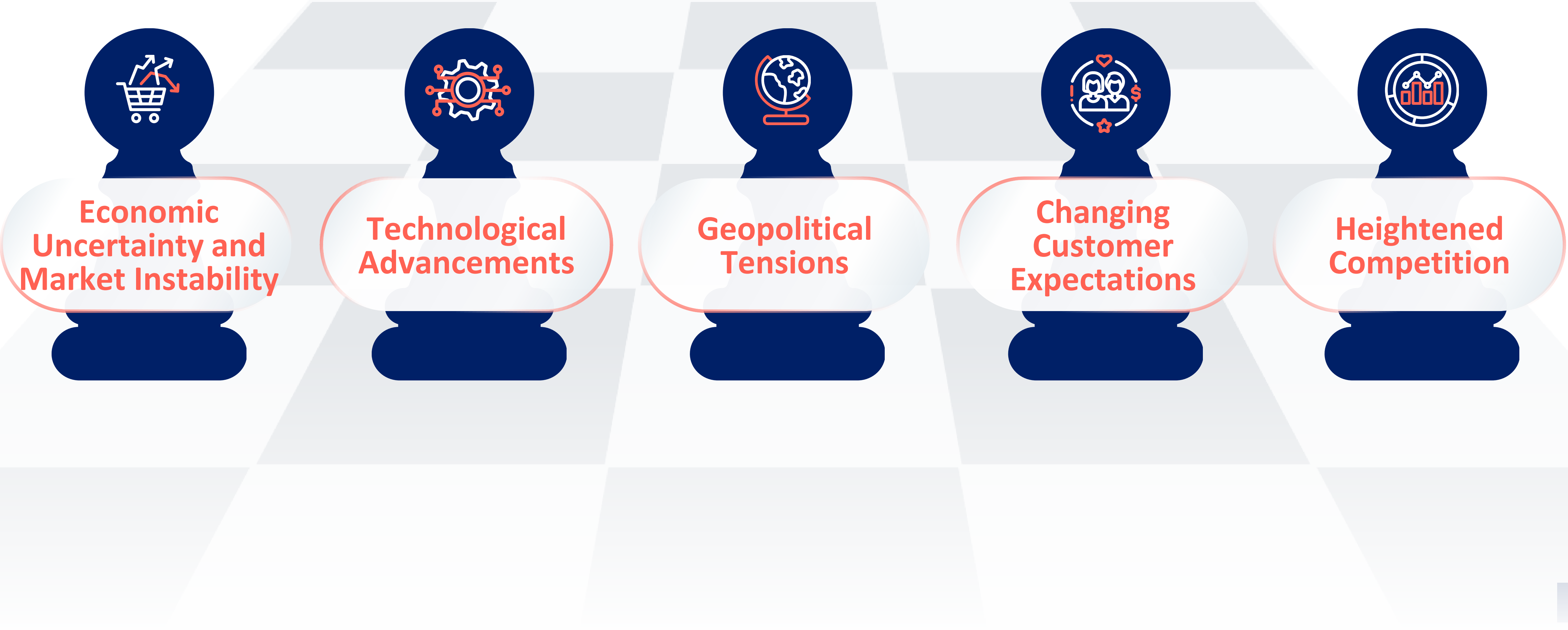
# Supply Chain Challenges

## Key Drivers of the Supply Chain Challenges



# Winning the Supply Chain Game
# Facing the Current Tariffs Tension

- Reprice Strategically
- Track Inventory in Real Time
- Strengthen Supplier Relationships
- Optimize Inventory to Maximize Margin
- Conduct What-If Scenario Analysis

## Tariff Response Plan

# AI-Driven Price Optimization

Track Inventory in Real Time

Strengthen Supplier Relationships

Optimize Inventory to Maximize Margin

Conduct What-If Scenario Analysis

**Find the right list price and discount strategy to respond intelligently to tariffs and account for increasing costs without killing sell-through and revenues**

**Reprice Strategically**

- Intelligently respond to tariffs, inflation, and other market challenges
- Optimize prices dynamically in a way that accounts for real-time changes in COGS
- Run scenarios to see how your customers would react to new pricing strategies before implementing them
- Promote substitute products with higher margins/lower tariffs
- Incorporate price elasticities into demand forecasting and supply planning

# Event-Based Inventory Tracking

Reprice Strategically

Strengthen Supplier Relationships

Optimize Inventory to Maximize Margin

Conduct What-If Scenario Analysis

**Quickly pivot inventory strategy to face changing market dynamics with 360-supply chain degree visibility and up-to-the-minute accurate inventory data**

**Track Inventory in Real Time**

## Real-Time, Event-Based Digital Twin of Inventory

- Better navigate the uncertainty of today's omnichannel market
- Eliminate costly discoveries of unsold inventory
- Stop conflicts across inventory management systems with a real-time, accurate single source of truth on the status of each SKU

**Data Hub**

# Supplier Visibility and Collaboration

Reprice Strategically

Track Inventory in Real Time

Optimize Inventory to Maximize Margin

Conduct What-If Scenario Analysis

**Diversify sources and build collaborative partnerships to secure reliable supply chains and improve visibility**

**Strengthen Supplier Relationships**

## Supplier Collaboration Network

- Collaborate on POs and demand forecasts
- Gain real-time visibility into Advanced Shipping Notices (ASNs)
- Detect real-time risk and issues with proactive alerting
- Analyze and manage supplier performance

**Supplier Collaboration HUB**

# AI-Driven Inventory Optimization

Reprice Strategically

Track Inventory in Real Time

Strengthen Supplier Relationships

Conduct What-If Scenario Analysis

**Optimize Inventory to Maximize Margin**

**Always delight your customer with the right product in the right place at the right time, even after allocation**

- React quickly to market events, adjusting supply plans and inventory strategy to the new reality in real time to maximize profit
- Move stock to where it is needed now to reduce time on shelf and minimize markdowns
- Maximize margin on transfers of returned merchandise by moving it directly to its final destination without the need to return it to a warehouse to be re-processed
- Automate inventory replanning based on price elasticity

RebalanceAI

# Financial Analysis and Strategic Network Design

Reprice Strategically

Track Inventory in Real Time

Strengthen Supplier Relationships

Optimize Inventory to Maximize Margin

**Be more prepared for unexpected events than your competition by leveraging scenario planning and improving rapid-response decision-making with intelligent analytics**

**Conduct What-If Scenario Analysis**

## Financial impacts

- Arm your team with a decision command center for fast event response
- Collaborate asynchronously to assess new threats and take advantage of opportunities
- Conduct what-if scenario analysis
- Quickly re-plan in the face of disruptions

## Strategic Horizon

- Identify supply chain impacts of tariff mitigation strategies like near-shoring or through network design scenario analysis
- Run contingency plans
- Perform cost and profit trade-off analysis
- Model networks visually, mapping risks
- Optimize profit and margin strategies

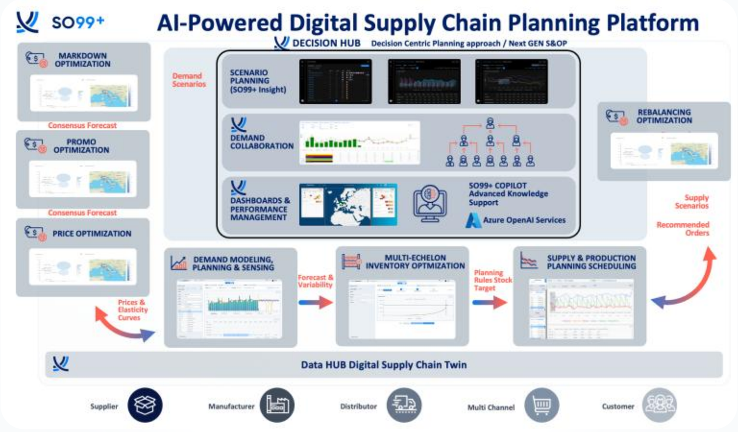
# Approach to Tariff Response

## Guided Assessment

**Work to understand the questions tariffs raise for your business and triage impact.**

- Exactly what are the tariff details?
- How does this impact customer price sensitivity?
- What's the competitor response?
- How does this vary by region?
- Are there product substitutes with higher margins?
- Will this affect inventory performance?
- Are there alternative sources?
- Is this worsened by network design inefficiencies?

## Assessment Tools

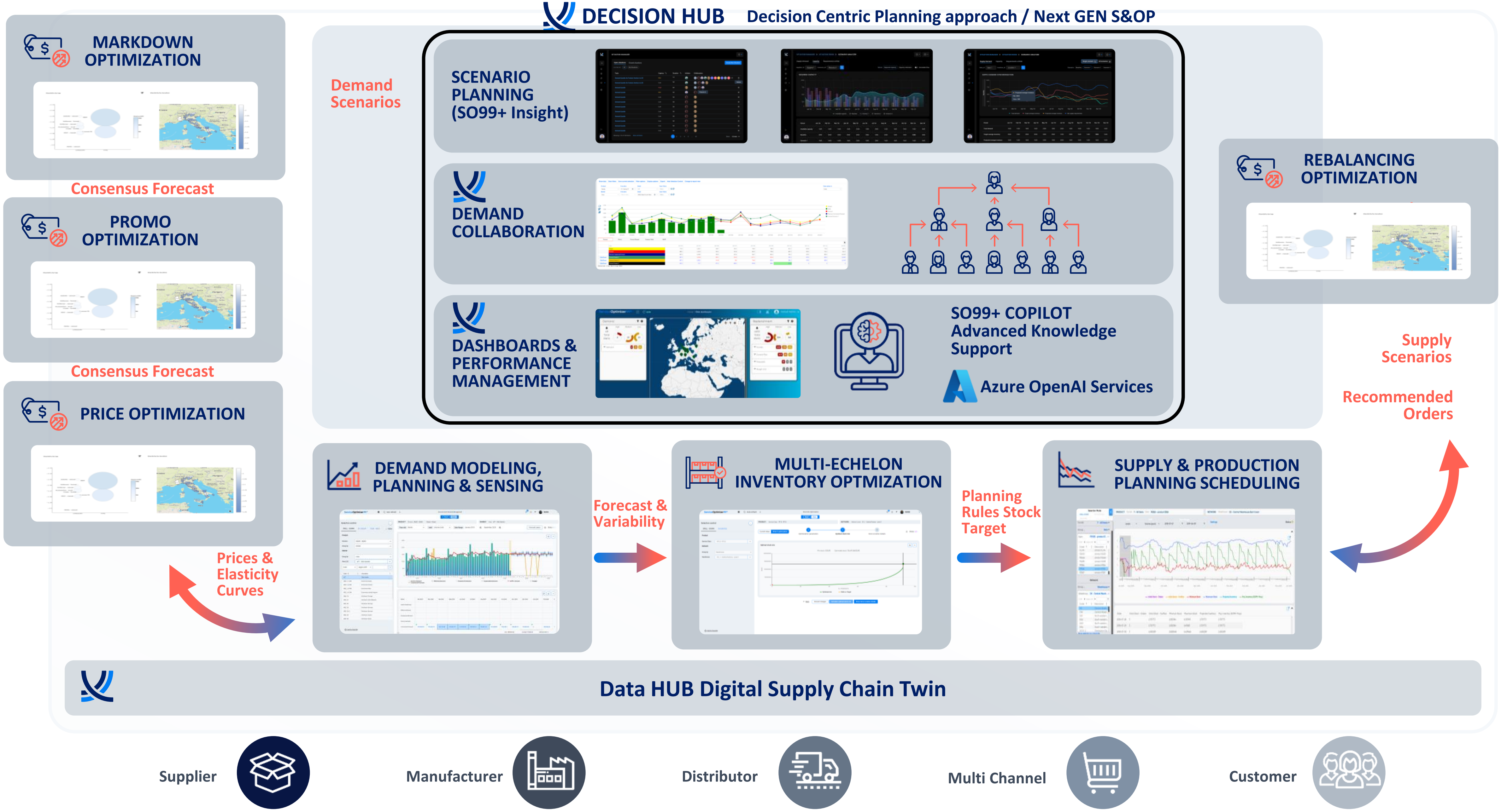



## Action

**Take FAST action to mitigate the tariff impact in the short, mid and long term.**

- Design tariff response strategy
- Recommend solutions that accelerate your strategy
- Quantify impact of pricing and inventory tariff response actions
- Build tariff response dashboards
- Implement solutions with a standard license or as a managed service

# AI-Powered Digital Supply Chain Planning Platform



# What Makes Our Tariff Solutions So Effective?

# PriceAI optimizes product prices to deliver high profitability by dynamically adjusting to changing material costs, demand, and business objectives

PriceAI helps you **maximize margins and revenues** with AI-powered prices optimized to hit or exceed revenue goals by responding in real-time to maximize performance even amidst tariffs and increasing supply chain uncertainty

**Prices That Meet Your Business Objectives–No Matter the Market**

**Quick Time to Value, Even with Poor or Dirty Data**

**Customer-Responsive, Not Competitor-Responsive Optimization**

**360-Degree Scenario Planning**

# The Secret to Effective Stock Rebalancing: Real-Time Demand Sensing, Not Better Forecasting

## Traditional Inventory Management

Driven by predicting sales in each location during planning and sending the missing inventory from the warehouses to more than cover demand

## Demand-Driven Inventory Optimization

Driven by learning how customer demand is changing and moving inventory where it will most satisfy customer demand while maximizing margins

# Rebalancing in Action:
# Guaranteed to Grow Margin After Considering Costs

# Decision Hub assists teams in making quicker and more informed choices during unforeseen circumstances, facilitating the Decision Centric Planning paradigm.

Decision Hub gives teams a virtual situation room where the right stakeholders can gather to **make urgent supply chain decisions**, armed with real-time data to run scenarios and evaluate how to best mitigate risks and exploit opportunities.

**Asynchronous Collaboration**

**Flexible and Intuitive Data Exploration**

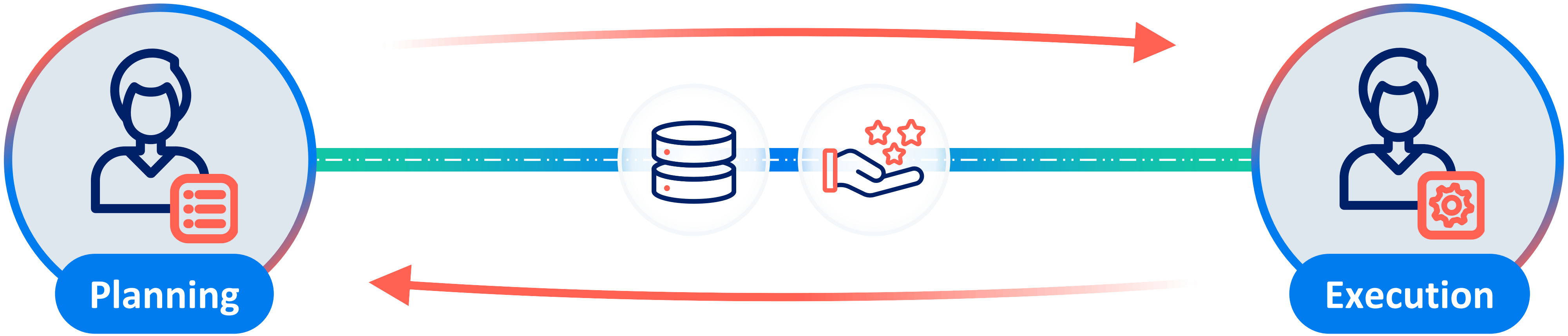
**Real-Time Scenario Planning**

**Better, Faster Decisions**

# Planning & Execution Closed Loop for Supplier Collaboration

## Achieve greater lead-time visibility, more collaborative risk evaluation, more effective option analysis and more feasible plans

- Supplier requirements (mid-short term)/plans
- Stock-out risk (i.e. promo sales overperforming)
- Obsolescence risk (underperforming new product launch)




- Supplier capacity, supplier constrains and lead time
- Supplier risks (i.e. financial, sustainability)
- PO confimed date/PO change of date
- Supplier and External manufacturer production phases and Inventory visibility
- ASN/Planned ETA > requested or confirmed delivery date
- Product homologation issues with suppliers (i.e. lacking documentation)

LAITHWAITES

toolsgroup

# Boosting Margins Through Responsive Pricing While Mitigating the Effects of Brexit Tariffs: Laithwaites

Laithwaites Wine is a leading UK wine retailer known for importing private-selection wines from Europe and all over the world. In addition to physical stores, Laithwaites has a significant e-commerce and catalogue business.

"I was surprised by how rapidly the system could impact revenues. We had expected there would be a greater learning curve, but their technology easily adapted to market volatility. This pricing strategy calmed shareholder worries and increased margins at a time when the industry was struggling."

**- David Thatcher, Laithwaites CEO**

## / The Challenges

- Sudden 20% increase in the cost of importing wines from Europe after Brexit
- Tariffs, inflation and cost volatility made pricing wines increasingly challenging in a post-Brexit economic climate
- Competitor prices critical to pricing strategy due to high substitution
- Workload of team pricing products was getting increasingly difficult to manage

## / The Solution

**Define the right adaptive AI driven price strategy:**

- Tracked over a million market prices from 10 key competitors daily
- Measured customer willingness to pay at the most granular level
- Identified priority products for direct price matching, as well as opportunities to raise and lower prices
- Monthly strategic reviews with executives

## / The Impact

**Responsive pricing that increased margin in a turbulent market**

- **3.1pp** increase in margin
- **£5.5m** initial margin gain during PoV
- **3%** increase in long-term revenues
- **6%** increase in volume of highest margin SKUs