

**EVENT TITLE:** Supply Chains Redefined: Adapting to Geopolitical Shifts

**EVENT DATE:** 4/10/2025

**EVENT TIME:** 4:30 PM ET

## EVENT OVERVIEW

In a time of profound geopolitical and economic volatility, NACD New England convened a panel of seasoned supply chain leaders to discuss how boards can guide management teams in navigating today's increasingly fragile global supply networks. With recent U.S. tariff actions—particularly the sudden 145% tariff on Chinese imports—reshaping sourcing and pricing strategies in real time, the session emphasized that corporate boards must pivot from oversight focused on efficiency to oversight focused on resilience and optionality.

This high-impact discussion shed light on the evolving role of directors in asking the right questions about risk exposure, supply chain mapping, and scenario planning. It underscored the necessity for board members to understand supply chain intricacies deeply enough to challenge management's assumptions, support informed decision-making, and help balance short-term survival with long-term strategic positioning.

## PROGRAM SUMMARY

The program opened with a data-rich overview of recent geopolitical changes disrupting global trade routes, including sweeping tariff adjustments and port congestion challenges. Tariff volatility—especially the rapid escalation of tariffs on Chinese goods—was cited as a driving force behind supply chain upheaval. Speakers emphasized that while the rationale for tariffs spans political, economic, and national security motives, the resulting unpredictability makes long-term planning difficult.

Panelists stressed that there are no silver bullets to mitigate tariff impact. Instead, companies must explore a portfolio of mitigations, including reshoring, nearshoring, free trade zones, bonded warehouses, and strategic

use of transfer pricing. However, they cautioned against reactionary moves and encouraged boards to ensure management bases decisions on sound research, supplier engagement, and alignment with shareholder and customer priorities.

Supply chain resilience was identified as a top governance priority. The board's role includes evaluating whether management has full visibility not just into Tier 1 suppliers but also into secondary and tertiary vendors—many of which present hidden risk. Attendees were reminded that a significant portion of supply chain risk lies in dependencies that may not be captured in traditional vendor management systems.

The speakers highlighted that in today's dynamic environment, resilience—not efficiency—is the new gold standard. This means companies should avoid single-country sourcing strategies and instead work toward supplier diversification and flexible manufacturing footprints. Boards were encouraged to adopt a “minimize maximum regret” framework from game theory, emphasizing that supply chain planning must account for multiple future states.

Attention also was given to pricing strategy and inventory management. Boards were urged to ask whether their companies are tailoring pricing and service levels to customer value. Blanket policies—like uniform pricing or undifferentiated fulfillment standards—may erode margin and reduce agility. This is especially relevant when upstream costs are changing rapidly. Segmented pricing and customer prioritization are becoming governance issues because they directly impact profitability and risk mitigation.

While the session focused heavily on downside risks, panelists also challenged boards to think about upside opportunities. Disruption, they noted, can be a catalyst for innovation. Tariff engineering—modifying products to fit into more favorable tariff categories—was presented as a legitimate and underutilized tool. Other strategies included rationalizing unprofitable SKUs, rethinking distribution models, and leveraging digital platforms to increase inventory transparency and improve demand forecasting.

Cybersecurity also was raised as a growing concern in the context of supply chain digitization. As manufacturing floors become increasingly connected through IT and OT convergence, boards must assess cyber concentration risk. The panelists advocated for proactive board support—including peer networking, introductions to subject matter experts, and sharing of anonymized templates—to elevate internal preparedness without stepping into management's role.

Finally, the panel addressed the need for board members to bring not just oversight, but also empathy. Executives are under enormous pressure to make decisions with incomplete information in a volatile landscape. Board members can offer support by being available to listen, share insights from their own experiences, and help management identify blind spots without overstepping.

#### KEY TAKEAWAYS:

**Governance of Volatility:** Boards should prioritize resilience over efficiency. Single-source dependencies and lack of transparency into secondary suppliers are key vulnerabilities.

**Scenario Planning:** Encourage management to adopt game theory-inspired approaches—"minimize your maximum regret"—to evaluate and plan across multiple possible future scenarios.

**Supply Chain Mapping:** Push for greater visibility beyond Tier 1 suppliers using tools that can identify ESG, Cyber, financial, and geopolitical risks in the broader network.

**Strategic Pricing & Segmentation:** Challenge blanket pricing and fulfillment policies. Dynamic pricing, order prioritization, and customer segmentation can protect margins.

**Inventory Discipline:** Evaluate management's strategy for forward-buying inventory as a hedge against tariffs—balancing opportunity with the risk of overstock.

**Tariff Engineering & Innovation:** Boards should encourage creative responses to external shocks. This may include altering product attributes to lower tariff exposure or consolidating SKUs to streamline operations.

**Leadership Empathy:** Provide support to management navigating extraordinary pressure. Asking “How can I help?” and sharing relevant resources can make a critical difference.

**Cyber Risk in Supply Chains:** Digital concentration and the convergence of IT/OT in manufacturing require greater board-level awareness and engagement.

This session highlighted the urgent need for boards to evolve their understanding of supply chain dynamics and to position themselves as both watchdogs and strategic sounding boards. In a world where geopolitical events can transform cost structures overnight, resilient governance requires insight, foresight, and a steady hand.

**MODERATOR:**

Roberta Sydney, Board Chair and Former CEO

**SPEAKER(S):**

Jonathan Eaton, Principal Advisory Services; Grant Thornton Advisors

Jonathan Isaacson, CEO and Chair, Gemline

Collin Lynch, Partner and COO, Tee Commerce

**PROGRAM PARTNER:**

