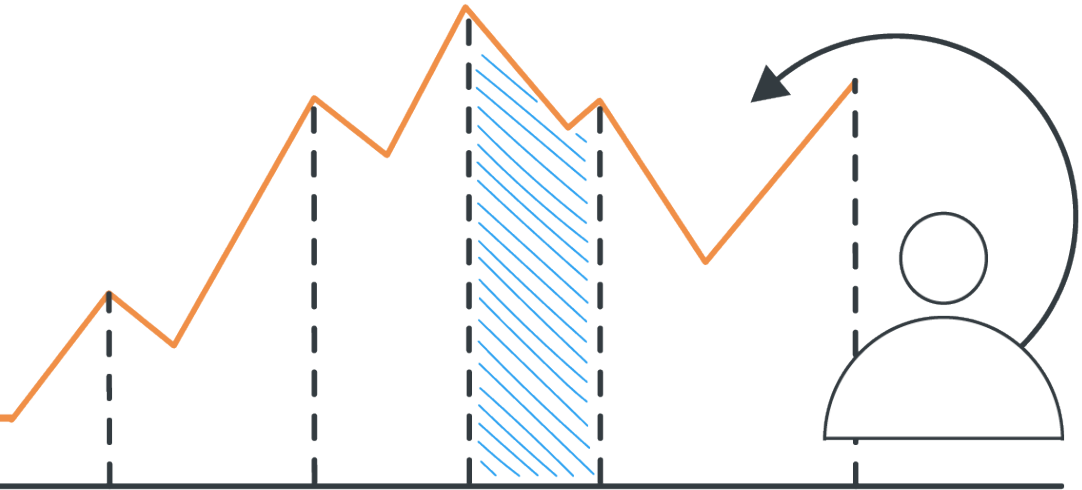




ENDEAVOR BUSINESS
INTELLIGENCE™



BUSINESS IMPLICATIONS OF TARIFF CHANGES

PULSE SURVEY

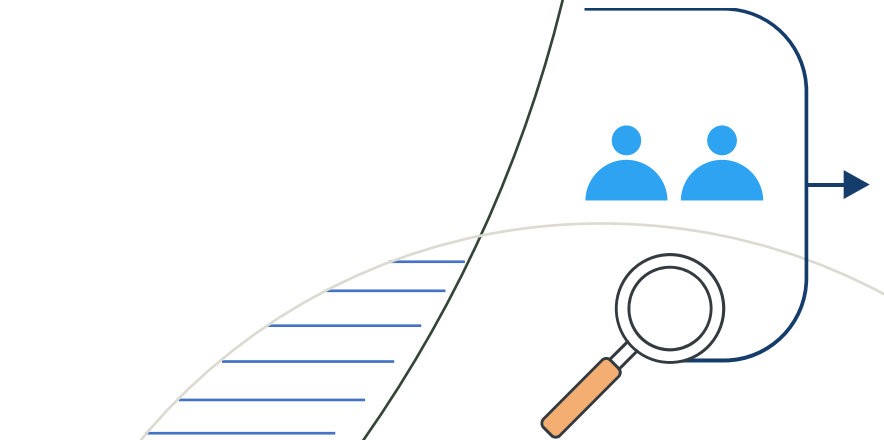
January 2025



METHODOLOGY

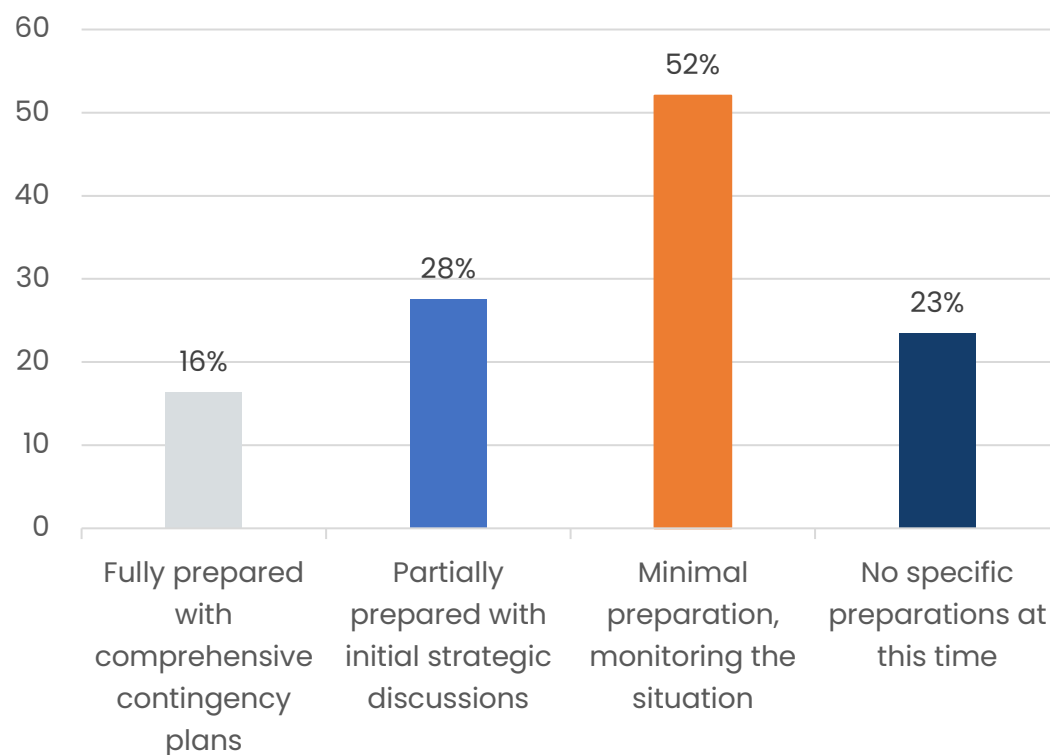
This survey was designed to assess how B2B vertical market leaders are preparing for potential changes in U.S. tariff policies. Our objective was to capture a focused snapshot of organizational preparedness, supply chain strategies, and anticipated financial impacts. The survey included concise, quantitative questions to ensure actionable insights could be gathered efficiently over a two-week period in December 2024.

The collected data was analyzed to identify key trends in preparedness levels, strategic responses, and projected cost implications. This analysis aims to provide a clear, data-driven view of how industries are bracing for and adapting to potential tariff changes.



TARIFF ANTICIPATION & PREPAREDNESS

How would you characterize your organization's current level of preparedness for potential increases in international trade tariffs?

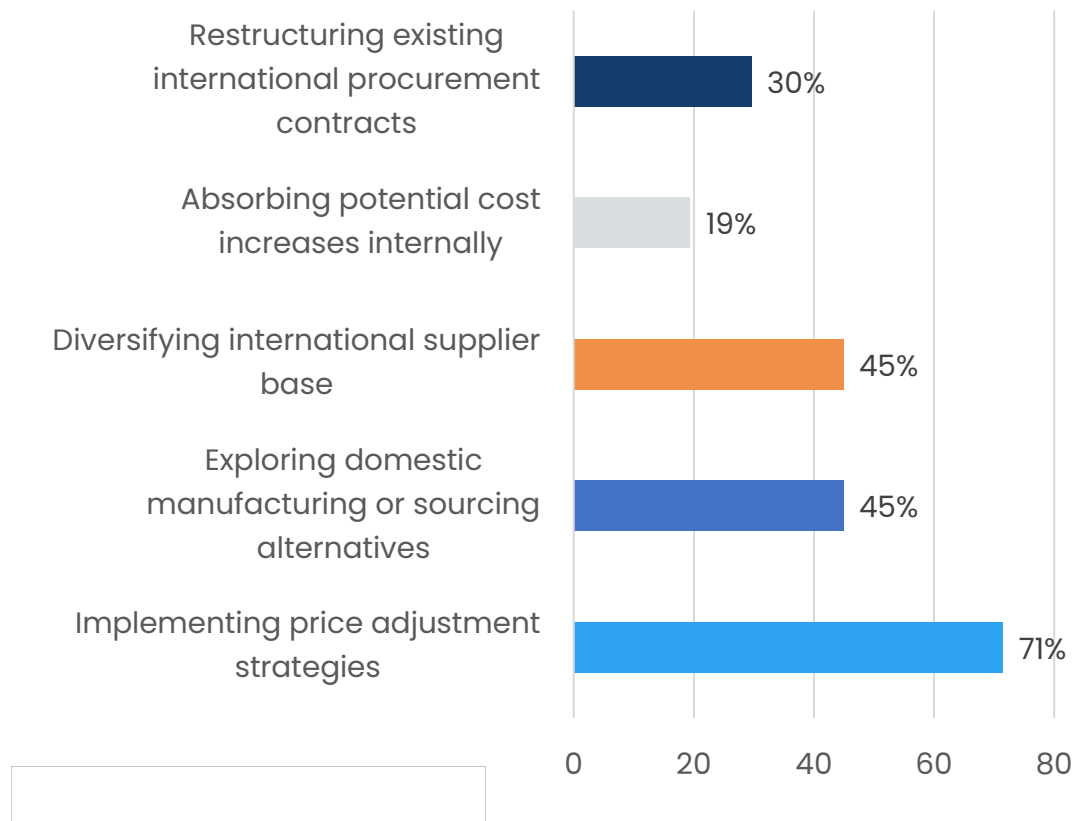


Most Organizations Are Monitoring Tariff Risks with Limited Preparedness

While 16% of organizations report being fully prepared for potential tariff increases, the majority are still in early stages of readiness. Over half (52%) are minimally prepared, actively monitoring the situation, and 28% have initiated strategic discussions. Alarming, 23% admit to having no preparations in place. These findings highlight a significant gap in readiness as businesses navigate the uncertainties of international trade policies.

SUPPLY CHAIN RESILIENCE

If significant tariffs are implemented, which of the following strategic actions are you most likely to consider?

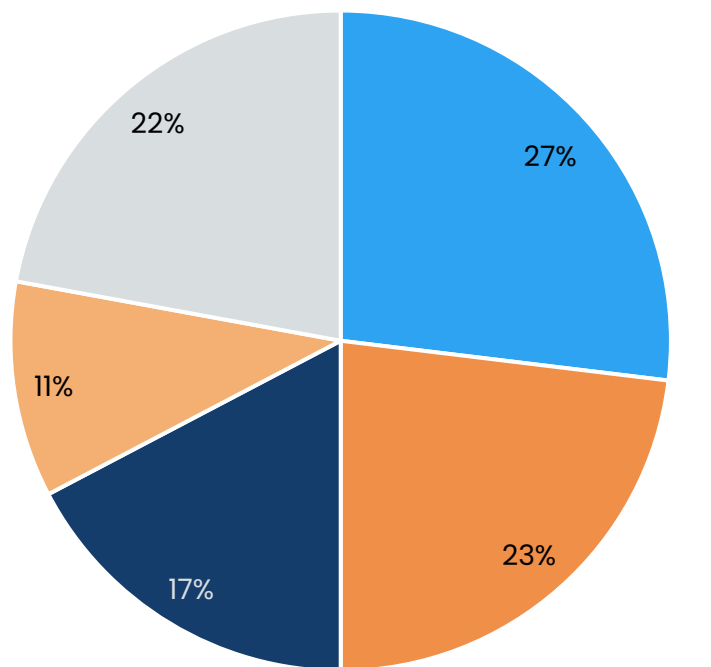


Price Adjustments Top Strategy for Tariff Impacts

When faced with significant tariff increases, 71% of organizations indicate they would implement price adjustment strategies as their primary response. Other common actions include exploring domestic sourcing or manufacturing (45%) and diversifying international suppliers (45%). Meanwhile, 30% plan to restructure procurement contracts, and 19% are prepared to absorb cost increases internally. These results underscore a strong focus on cost management and supply chain adaptation in response to potential trade policy changes.

FINANCIAL IMPACT PROJECTION

Based on your current understanding; what percentage of potential tariff increases do you estimate could directly impact your organization's operational costs?



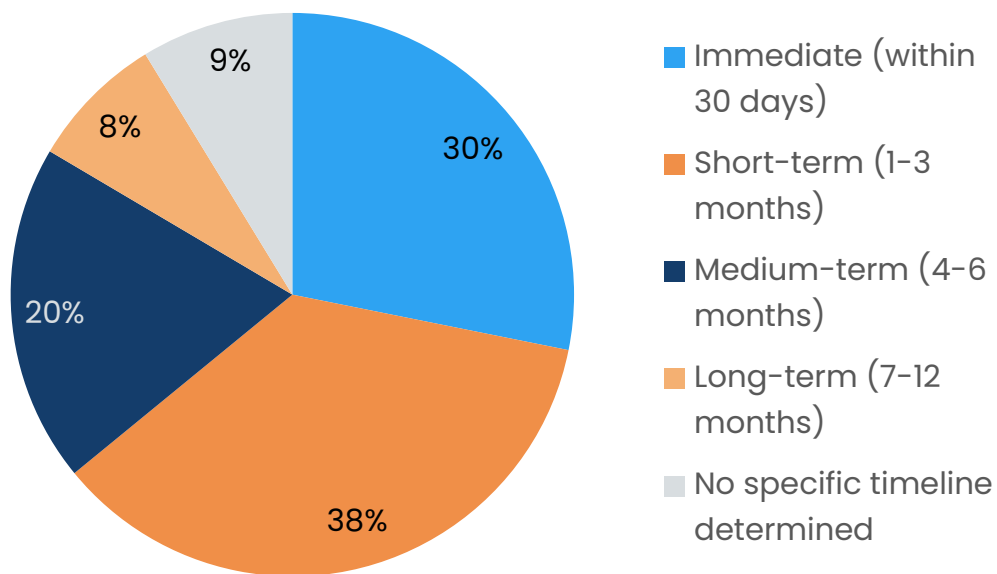
Tariff Increases Could Significantly Impact Operational Costs

Survey results show that 27% of organizations estimate tariff increases could raise operational costs by 0-5%, while 23% predict a 6-10% impact. However, nearly 50% anticipate more substantial effects, with 17% expecting costs to rise by 11-15%, 11% projecting 16-20%, and 22% bracing for increases above 20%. These findings highlight the substantial financial risks tariffs pose to businesses.

■ 0-5% ■ 6-10% ■ 11-15% ■ 16-20% ■ Over 20%

STRATEGIC RESPONSE TIMELINE

Assuming new tariff policies are announced, within what timeframe would your organization expect to implement significant strategic adjustments?



Most Organizations Plan Quick Responses

Survey data reveals that 68% of organizations expect to implement significant strategic adjustments within three months of new tariff announcements—30% immediately and 38% in the short term. Meanwhile, 20% anticipate changes within six months, and only 8% foresee adjustments taking 7-12 months. A small portion (9%) have yet to establish a timeline, underscoring the urgency many businesses feel in addressing tariff-related challenges.