

Thriving Through Tariff DISRUPTION

A Three-Front Negotiation Strategy
for Resilient Organizations



Aligned.



EXECUTIVE Summary

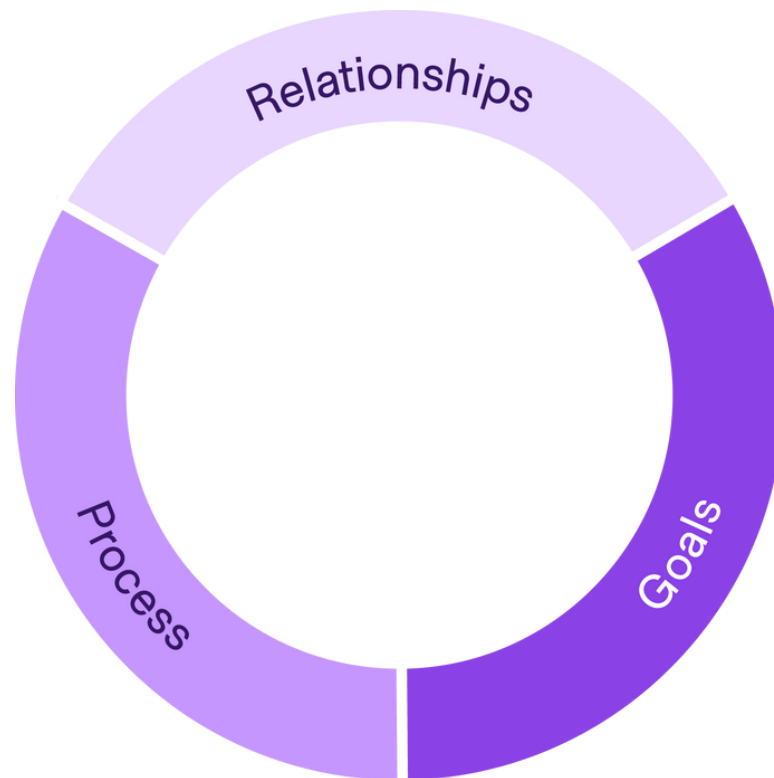
The return of aggressive tariff policies has jolted the global business landscape. With the United States recently imposing a universal 10% import tax, alongside steep reciprocal tariffs—reaching as high as 125% for some countries—companies are once again navigating a dramatically altered trade environment. For organizations dependent on cross-border suppliers and international markets, this is more than a cost spike. It's a strategic turning point that requires fast, coordinated, and intentional action.

At the core of the challenge is a squeeze from both directions. Vendors are passing along higher costs due to tariffs on raw materials and manufactured goods, while customers, already contending with economic pressure, are resisting price increases. It's a complex web of competing interests, compounded by uncertainty and volatility. Thriving in this moment requires a two-front negotiation strategy—one that addresses suppliers upstream and customers downstream—not with blunt force, but with empathy, flexibility, and clarity.

This white paper outlines a framework for navigating tariff-driven disruption through proactive negotiations on both sides of the value chain. It focuses on preserving financial health while deepening the relationships that sustain long-term business success. And it applies Aligned's proven Relationship • Process • Goals methodology to create clarity, consistency, and momentum at every stage of the conversation.

Aligned Strategic FRAMEWORK

The Aligned Strategic Framework is a structured approach to negotiation that ensures alignment across all critical dimensions of a deal.



● Relationships

This outlines the relationships that currently exist and the type of relationship that's required for the deal. How you structure your communication will impact partnerships, trust, and reputational equity. It ensures that the way you negotiate strengthens future collaboration rather than burning bridges.

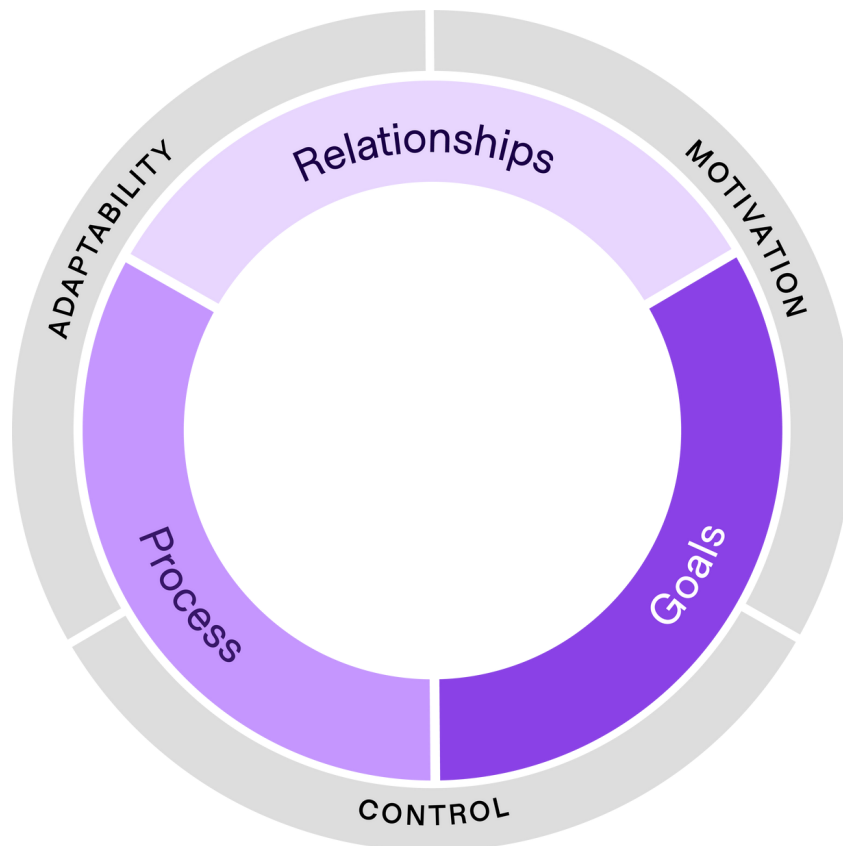
● Process

This covers the structure and strategy behind the negotiation. It includes preparation, information exchange, sequencing of discussions, decision-making protocols, and how concessions will be traded. A well-managed process ensures clarity, efficiency, and control over the negotiation dynamics.

● Goals

These are the tangible outcomes you want to achieve. They include financial targets, strategic objectives, contract terms, and other measurable results. Setting clear, prioritized goals ensures that the negotiation stays focused on achieving value rather than getting lost in positional bargaining.

Leverage Pairs within the FRAMEWORK



Using Leverage Pairs in negotiation is a powerful way to enhance strategy because it allows negotiators to capitalize on the strengths of two elements at once, rather than relying on a single pillar. Pairing two negotiation fundamentals creates synergy, making each component more effective in practice.

When used effectively this becomes your negotiation leverage within the confines of the deal.

Example

Imagine you're negotiating a long-term partnership deal. If you focus only on Goals, you might push too hard for a financial win at the cost of the relationship. But if you leverage Motivation (Goals + Relationships), you can align incentives so that both sides feel invested in success—leading to a more sustainable, high-value deal.

Upstream Negotiations: Turning Suppliers into STRATEGIC ALLIES



In the face of rising costs, many companies instinctively move to renegotiate or pressure suppliers for better pricing. But in a tariff-heavy world, this approach can backfire, especially when suppliers themselves are navigating the same economic shockwaves. Instead of viewing vendors as adversaries, leading organizations are reframing these relationships as strategic partnerships.

Using the Strategic Framework, companies can anchor these negotiations in a long-term view.

Relationship

The first lens — Relationship — asks: “What is the level of trust and interdependence we need with this supplier going forward?”

If the answer is high, then transparency and joint problem-solving become essential. Rather than chasing short-term savings, the focus shifts to sustaining mutual success.

Process

Next comes Process. Are we involving the right stakeholders, aligning decision timelines, and building in structured checkpoints for adaptation? In a volatile environment, informal back-and-forths don’t cut it. Formalizing the negotiation structure allows companies to explore creative solutions like cost-sharing mechanisms, dual sourcing arrangements, or dynamic pricing tied to tariff thresholds.

Goals

Finally, we turn to Goals. What outcomes do both parties truly need? A supplier may prioritize cash flow certainty over top-line pricing. A buyer may care more about lead time reliability than about cost per unit. Once both sides articulate their underlying goals—rather than fixating on positions—the door opens for collaborative solutions.

Downstream Negotiations: Balancing Margin Protection and CUSTOMER TRUST



While upstream conversations focus on cost containment, downstream negotiations are about managing perception, preserving trust, and preventing churn. Customers often feel the impact of tariffs indirectly — through sudden price increases, longer lead times, or reduced flexibility. If not managed thoughtfully, these shifts can erode even the strongest relationships.

Again, the Strategic Framework provides critical guidance.

Relationship

Relationship becomes the foundation: What's the level of strategic importance between you and your customer? Is this transactional, or are you building something long-term together? High-value customers need to be engaged in ways that reflect their importance — with advanced warning, transparency around cost drivers, and tailored solutions that reflect their unique needs.

Process

The Process dimension is just as critical downstream. Are you delivering news in a reactive, rushed way—or are you inviting your customer into a structured, collaborative conversation? When customers are presented with context, scenarios, and choices, they're far more likely to stay engaged—even when the message is difficult.

Goals

And finally, there's Goals. It's easy to assume the customer's goal is "lowest price," but under stress, goals shift. Some customers may care more about continuity of supply. Others might need flexible financing or staggered deliveries. By identifying those goals early, businesses can move from friction to alignment—designing offers that preserve the relationship and create value on both sides.

It also helps to show that your organization is taking its own medicine. When customers see that you are actively absorbing part of the tariff burden, exploring alternative supply routes, and rethinking how to protect shared success, it transforms a potential conflict into a partnership moment.

The Internal Imperative: Cross-Functional COORDINATION



To execute this strategy effectively, internal alignment is non-negotiable. Procurement must be aware of the expectations being communicated to customers. Sales must understand what the supply chain can realistically deliver. Finance must model the implications of every give-and-take—whether that’s extending payment terms, adjusting margins, or redefining risk thresholds.

The Strategic Framework applies internally, too. The Relationships between departments must be based on trust and shared intent. The Process must include cross-functional checkpoints, escalation paths, and scenario planning. And the Goals must be aligned: protecting cash flow, preserving critical accounts, and managing risk without overcorrecting in any one direction.

When these functions operate in isolation, messages get muddled, customer confidence wanes, and supplier goodwill erodes. But when synchronized, the organization speaks with one voice—and becomes a force multiplier for resilience.

From Shock Response to STRATEGIC RESILIENCE



Tariffs are no longer a temporary disturbance. They are becoming a consistent feature of the modern trade landscape. Companies that treat them as one-time events risk falling behind. The organizations that will emerge strongest are those that recognize tariffs as both a challenge and a catalyst — an opportunity to renegotiate not just contracts, but the very nature of their business relationships.

By engaging suppliers as allies, customers as collaborators, and internal teams as co-strategists, businesses can thrive through the disruption — not despite it, but because of how they navigate it. The Relationship ▪ Process ▪ Goals framework provides the structure to do just that. It equips organizations to move with clarity, negotiate with integrity, and operate with resilience.

Negotiation, in this moment, is not about defending against loss. It is about shaping the path forward — on purpose, and on your own terms.

When Relationships Are Transactional or Combative: Negotiating with Control, NOT COLLABORATION



While strategic relationships invite collaboration and flexibility, many businesses also deal with partners—on both the supplier and customer side—who operate in a more transactional, or even adversarial, mode. These engagements often come with limited transparency, low trust, and a “what’s in it for me” mindset. In these cases, negotiation requires a different posture: one focused on clarity, control, and leverage.

Relationships

In transactional relationships, the Relationship element of the Strategic Framework becomes more about boundaries than rapport. Rather than investing in long-term goodwill, the goal is to maintain a clear-eyed understanding of power dynamics. If the other party has alternatives and is willing to walk, your leverage is limited. If you hold the advantage—through supply constraints, market knowledge, or switching costs—it’s essential to use it thoughtfully but firmly.

Process

Process becomes your guardrail. When trust is low, structure matters even more. Negotiations should be tightly managed, with clearly documented terms, firm deadlines, and escalation protocols. Informal agreements and handshakes are risky. Set the tone early by defining the playing field: “Here’s what we can offer, here’s what we expect in return, and here’s when the decision needs to be made.” A well-run process becomes your armor.

Goals

Goals must also be calibrated differently. In these scenarios, you’re often not aiming for mutual gain—you’re managing exposure. What risks are acceptable? What concessions can be made without opening the door to future exploitation? What terms will give you the ability to exit cleanly if needed? This is not the time to pursue optimization. It’s the time to lock in value, limit downside, and keep options open.

When possible, you may even want to use one transactional relationship to pressure or influence another. If a supplier won’t move, let them know you’re exploring alternatives. If a customer is threatening to churn, make it clear that better terms are available for those who are willing to commit. In a transactional environment, information is leverage—and timing is everything.

Aligned.

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