



FINANCIAL PLANNING IN UNCERTAIN TIMES:

Managing Tariff Volatility with Workday Adaptive Planning

Setting the stage: Adaptive financial planning with Workday

Workday Adaptive Planning is a cloud-based solution that enables businesses to plan, model and forecast with speed and agility. Unlike traditional spreadsheet-driven systems, it offers real-time collaboration across finance, HR and operations, empowering leaders to make faster, more informed decisions.

In an era of persistent disruption, adopting an adaptive approach to financial planning is critical. Simply producing a budget once a year isn't enough anymore; today's leaders have to update their forecasts in real time, run what-if scenarios and allocate resources in a market that is constantly changing.

Workday Adaptive Planning is one of our preferred options for forward-thinking financial management. It helps our clients transition from reactive planning to proactive, insight-driven decision-making.

The challenge: uncertainty as the new normal

Rapidly changing tariffs and trade regulations driven by global trade conflicts and geopolitical tensions are the new normal today. For multinational companies, that means rising costs, greater supply chain risks, and more complex financial planning. Based on our experience, a lot of companies are still relying on the rigid planning models of yesterday – models that simply no longer suffice in today's volatile environment.

Where traditional financial planning falls short

- Rigid planning cycles prevent a timely response to new tariffs or levies.
- Manual, spreadsheet-based processes slow down scenario modeling and forecasting.
- Without adequate integration among the finance, supply chain and operations teams, important decisions often rely on siloed thinking and a fragmented view of the business.

The result: executives often receive critical insights too late to make effective decisions.



Deep dive: tariffs as a driver of financial complexity

How tariffs and trade regulations impact a company largely depends on its underlying operating model. Regional production and sales models deal mainly with local goods flows, while global production networks and export-driven businesses are much more exposed to customs duties, taxes and cross-border risks. For these companies, tariff management isn't just a supply chain issue; it's a critical factor in financial planning and cash flow management.

Workday Adaptive Planning as an enabler for tariff simulation

- Workday Adaptive Planning is a powerful tool for improving agility and resilience. With this platform, CFOs and finance teams can:
- model scenarios in real time: analyzing the financial impact of 5%, 10% or 25% tariffs within minutes.
- integrate business functions: ensuring seamless collaboration between finance, procurement and supply chain teams within a single data ecosystem.
- leverage automated forecasting: using machine learning-driven forecasts to identify patterns and trends that human planners might overlook.
- enable executive transparency: giving leaders the insight they need on intuitive dashboards to adapt their supplier strategies, pricing or production locations on short notice.

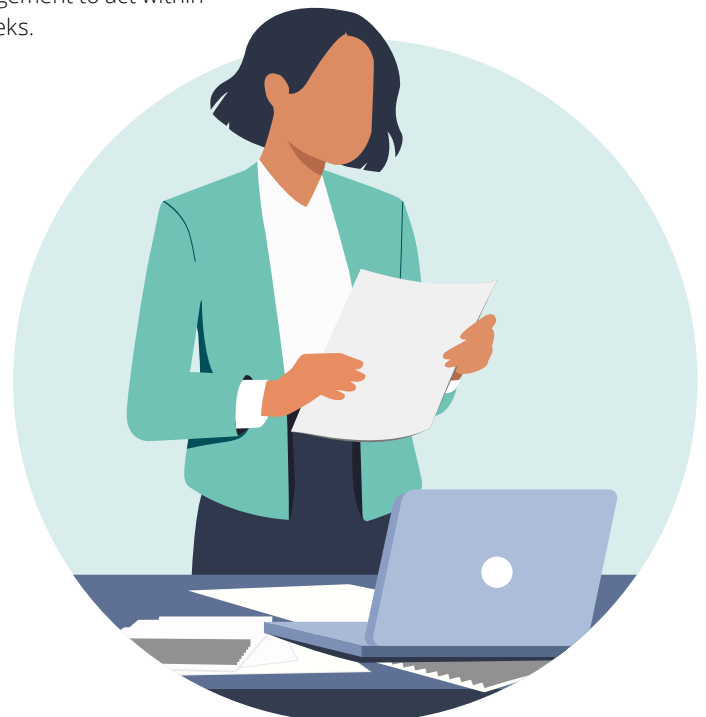
From transparency to harmonization

Effective tariff planning starts with transparency. Today's companies need to map their goods flows, quantify their transaction volumes and review transfer pricing and customs methods. With Workday Adaptive Planning, finance teams can integrate ERP data, capture these flows and model the real-time impacts of taxes and duties. This way, they can quantify their current tariff burden and benchmark against their peers, laying the foundation for more informed decisions.

Sample use case: simulating the effects of tariff changes

- Let's say the U.S. just announced new tariffs on European products, which has serious implications for you as a multinational manufacturer. Thanks to Workday Adaptive Planning, your company can:
- instantly run multiple scenarios (5%, 10%, 25%),
- assess the impact on EBIT and cash flow in real time,
- compare different responses, such as shifting production locations, finding alternative suppliers or adjusting prices,
- and empower management to act within days rather than weeks.

Workday Adaptive Planning turns tariff uncertainty into actionable insight, enabling you to make faster and more confident financial decisions.



Strategic scenario planning for resilience

In addition to more transparency, companies can identify opportunities for harmonization by simulating different supply chain configurations and pricing strategies to better understand their impact on cash flow. This is all possible thanks to the sensitivity analyses, risk assessments and scenario-based modeling available at scale in Workday Adaptive Planning. Companies can use these insights to design and quickly implement proactive mitigation strategies, from supplier shifts to pricing measures, and make sure that volatile tariff rates don't jeopardize their financial resilience.

Conclusion - making uncertainty manageable

Tariffs are just one example of the uncertainty that businesses have to navigate. Geopolitical crises, commodity price fluctuations and climate risks add further layers of complexity.

Workday Adaptive Planning can make this uncertainty more manageable. It empowers companies to not only respond faster but actively shape their future with the support of an integrated, future-ready platform.

The Deloitte perspective - tangible benefits

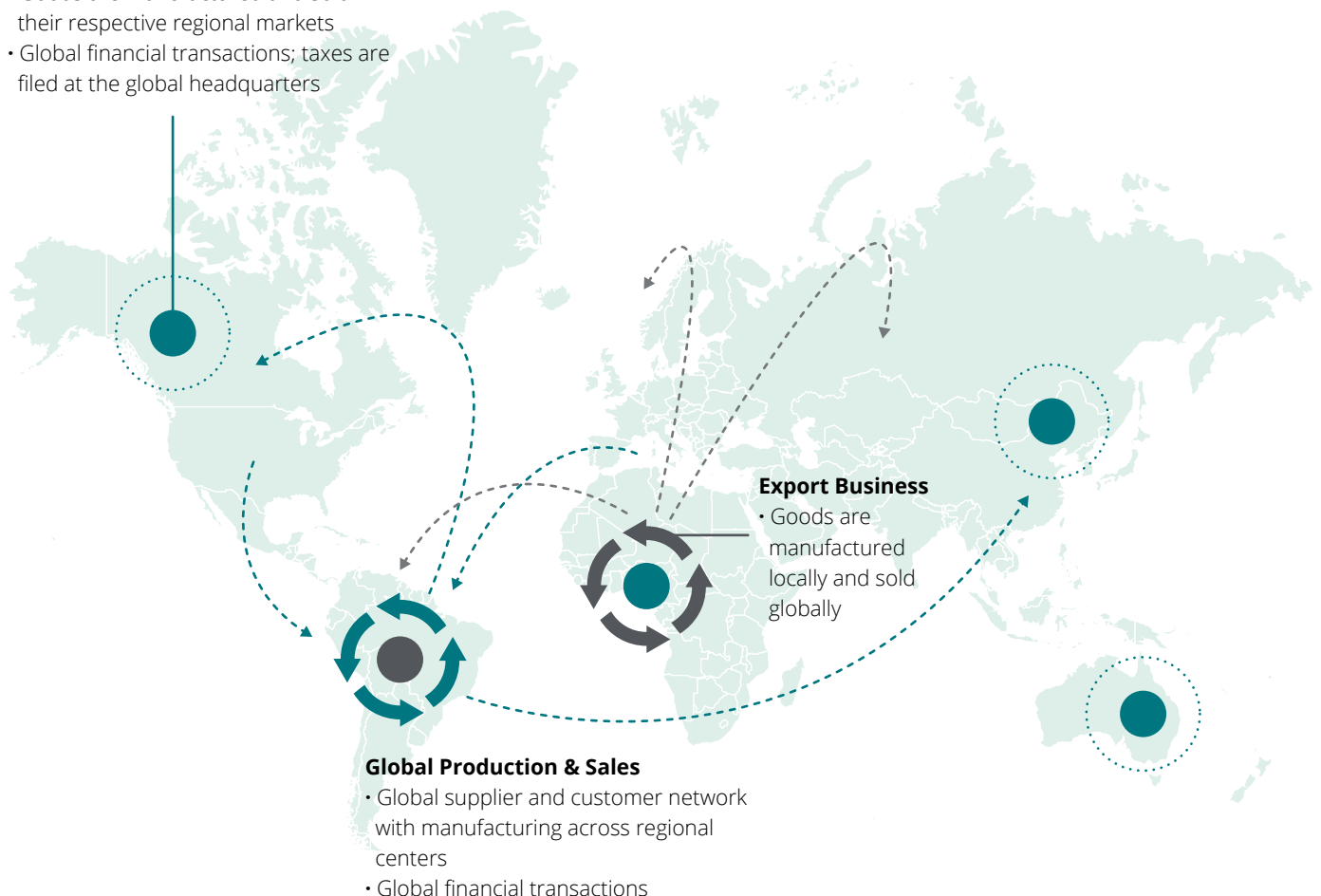
Based on our experience, adopting Workday Adaptive Planning helps companies achieve:

- significantly faster response times to external shocks,
- more reliable forecasting despite market volatility, and
- greater resilience thanks to integrated, data-driven decision-making.

Typically, the impact on taxes, tariffs, and the supply chain varies depending on the industry and operating model.

Regional Production & Sales

- Regional movement of materials
- Goods are manufactured and sold in their respective regional markets
- Global financial transactions; taxes are filed at the global headquarters



Our Team

Deloitte's differentiator is our people. With a strong cross-disciplinary team, we bring the exact skill-set you need to achieve the best planning solutions, strategies and services for your business.



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