

BUILDING DISRUPTION RESILIENCY: STRATEGIES FOR THRIVING IN AN UNCERTAIN WORLD

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INTRODUCTION



- Owner and Primary Consultant, AILM Resiliency Consulting Agency (2020)
- Manager, Emergency Management & Business Continuity, NAIT (2020)
- Director of the Emergency Coordination Centre (ECC), NAIT (2020)
- Academic Instructor for the Disaster and Emergency Management diploma program,
 NAIT (2015)

AGENDA



- The Impact of International Tariffs on Supply Chains and Businesses
- The Impact of International Tariffs on Small and Medium sized Organizations
- Disruption Resiliency
 - What it is
 - The importance
 - Building Blocks
 - Challenges
- Discussion

TARIFFS



- A tariff is a tax that a government places on goods imported from another country, essentially making those goods more expensive for consumers and businesses.
- General idea
 - Raising revenue: Tariffs can be a source of income for the government.
 - Protecting domestic industries: By making imported goods more expensive, tariffs can encourage consumers to buy locally produced goods.
 - Negotiating trade: Tariffs can be used as a tool in trade negotiations to influence other countries' policies.

TARIFFS



Tariffs have been implemented for years, some recent examples:

- Steel and aluminum tariffs implemented by US May 31, 2018- Canada, Mexico, and the EU, removed May 2019 for Canada and Mexico
- Steel and aluminum tariffs implemented by Canada to China October 2024, by USA to Canada 2025
- Electric Vehicles (Evs) tariffs implemented by Canada to China in October 2024.
- 25% on all goods entering the US; 10% on Canadian energy on March 4, April 2, 2025
- 25% on all aluminum and steel entering the US from Canada on March 12, 2025
- 25% on aluminum, steel and additional US goods entering Canada from US on March 13, 2025
- Many countries implementing reciprocal tariffs

IMPACT OF INTERNATIONAL TARIFFS ON SUPPLY CHAINS



- Increase in costs for businesses involved in international trade for imported goods
 - Absorb the additional costs leads to higher operational expenses, reduces profit margins
 - Pass them on to consumers- impacts customer retention & trust
 - Makes products less competitive in the global market
 - Triggering trade wars that disrupt global markets
 - Higher costs and reduced demand for exports impact profitability and employment
 - Shift to alternative suppliers in lower-tariff regions/forces sourcing and supply chain diversification
- Diversification can mitigate risk, it also introduces challenges
 - New supplier onboarding, potential quality issues, longer lead times

THE IMPACT ON SMALL AND MEDIUM SIZED ORGANIZATIONS (SMO'S)



- Challenges for SMO's
 - Limited bargaining power with suppliers
 - Fewer options for diversifying their supply chains
 - Extreme cases- business closures, particularly in industries with thin profit margins
 - Can't compete as a vendor against larger companies

DISRUPTION RESILIENCY



- Disruption is a disturbance or problems which interrupt an event, business, activity, or process.
- Resiliency emphasizes the capacity to absorb shocks and continue functioning.
- Disruption Resiliency, is about having a strong system in place to handle unexpected events and ensure business continuity. It involves:
 - proactive planning
 - a culture of adaptability
 - integration of technology
- Its benefit is to maintain organizational operations and protect business and community partners.

BUILDING BLOCKS OF DISRUPTION RESILIENCY



- Proactive planning
 - Risk Assessment, BIAs, and Scenario Planning early on
 - Business Continuity Plans (BCPs)
 - Clear Objectives, Roles and Responsibilities, Activation Triggers, Communication Protocols, Dependencies, and Recovery Strategies
- Develop a culture of adaptability and agility
 - Building a Resilient Culture/Reduce Rigidity
 - Encourage critical thinking and provide education/training
 - Empowering Employees, Encouraging Innovation, and Promoting Collaboration
 - Supply chain diversity- adopt a more distributed manufacturing/services strategy

BUILDING BLOCKS OF DISRUPTION RESILIENCY



- Integration of technology (e.g. Artificial intelligence)
- Investments (e.g. Decentralize Sourcing/Establishing Strong Partnerships)
- Crisis Communication Plans
- Outcomes:
 - Protecting Business Continuity
 - Enhancing Competitive Advantage
 - Safeguarding Reputation
 - Mitigating Financial Losses

CHALLENGES FOR IMPLEMENTING RESILIENCY STRATEGIES



- High Implementation Costs
- Resistance to Change
- Data Integration (time and expense)
- Supply Chain Fragmentation
- Unpredictable Risks

RECAP



- Tariffs may protect domestic industries in the short term, but they often lead to
 - Inefficiencies
 - Reduced competitiveness/impact on supply chains/discourage global investment
 - Logistical challenges
 - Disruptions in global trade and relationships

RECAP



- What can we do
 - Adopt adaptive strategies, such as diversification and technological innovation
 - Fostering resilience and flexibility
 - Proactive planning and agility
 - Promote innovation, critical thinking and collaboration

Set yourself up for long term success! Don't cram for the exam, know the information.

THANK YOU FOR PARTICIPATING



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DISCUSSION ITEMS



- Have tariffs impacted your businesses/organizations, and what does that look like (e.g. supply chain disruption, loss of profit, customer retention)?
- What, if any, disruption resilience initiatives have you put in place or plan on implementing?