

ARE TARIFFS TAKING A TOLL ON DOOR AND ACCESS CONTROL INDUSTRIES?

Experts provide critical insight and hopeful outlook

By Vicki Jones, Editor

“ Many of the products sold in the industry, consumers need. Companies may just have to pay more for them in the short-term. ”

During the first week of May, I received over a dozen tariff emails from various manufacturers — each notice announcing the company's latest tariff updates: products affected, surcharges implemented, effective dates, etc.

So, in these turbulent tariff times, what can dealers and manufacturers do to maintain inventory levels and to stay not just operational, but profitable?

To learn more, we gathered information from industry experts and the Security Industry Association (SIA) and gained a better understanding of the unique obstacles that tariffs are bringing to our industries and the different ways industry participants are attempting to mitigate their negative effects.

Navigating the roller coaster

Over the past three months, tariff announcements have fluctuated from vague, to a 90-day pause, to surging due to a 145% flat rate for Chinese imports — only to be revised again for select companies.

The tariff roller coaster has led to unpredictable twists for the access control, fence, and security industries. Owner of Profit Builders International Tom Luby said, "Yes, tariffs on raw materials for the fencing industry will have costly consequences. For example, steel and aluminum from China, lumber from Canada and Brazil, the two largest importers of wood to the U.S., will cost more and will have significant impact on the industry."

American-made advantage

Adjusting for exorbitant price increases driven by tariffs is challenging and passing additional costs on to customers is a tough ask. Consequently, U.S.-based suppliers have a slight advantage in the current market.

"As an American manufacturer, we are impacted to a somewhat lesser degree, but we do source components from other countries," one supplier said. "Even our American suppliers have raised prices because they also incorporate imported components into their materials."

The majority of door and access manufacturers have at least one component that is being imported. Therefore, it's safe to assume that every company, regardless of where they manufacture, is impacted by the tariffs of 2025.

Establishing a pricing team

Rhett Bender, senior engagement manager for Ducker Carlisle, suggests that companies utilize a "pricing team" to help mitigate the impact. He recommends either establishing one internally or outsourcing it to a company like Ducker Carlisle. Their specialized team is dedicated to analyzing variables that affect pricing in these markets, and companies can utilize Ducker Carlisle's research and data to predict the impact.

"Scenario management teams take into account demand factors," said Bender. "They consider variables and evaluate the decision to raise prices while ensuring that companies maintain competitive in the market." For instance, if their competitors are sourcing from another region with higher tariffs, it's important for a company to know that information.

Real-time pricing versus forecasting

Is "real-time price adjusting" recommended or sustainable during a constantly fluctuating economic environment?

"We've seen companies respond to price adjustments in several different ways," said Bender. Some try and anticipate the increases to the best of their abilities. "They may end up having an advantage if no tariff is implemented or if it is reversed. On the other hand, they may end up eating it."

Other manufacturers have embraced a wait-and-see approach, temporarily absorbing the added costs accrued by tariffs. A third approach, designed to cushion potential cost increases and supply chain disruptions, involved adding tariff surcharges based on current or projected rates.

Evaluating surcharges

In the article, "Days of our distribution: Tariff troubles and supply chain scandals," Desiree Grace and Frank Hurtte said that implementing surcharges is a common choice for manufacturers because they can be easily calculated based on the country of origin and the value of imported content within the product.

CEO of Ducker Carlisle Paul Gurizzian said that surcharges have an advantage of being very transparent; however, they also can create some logistical challenges. Surcharges are hard to pass systematically through the supply chain.

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Plus, there is an understanding that when the tariff goes away the added charge will go away.

Most of the distributors Grace and Hurtte interviewed said they did not want surcharges. “Distributor ERP systems cannot easily attach surcharges to individual products or families of products.” Additionally, customers may question the surcharges.

May Day! May Day!

Regardless of which pricing strategy companies embraced initially, the month of May seemed to be a turning point. Many manufacturers distributed tariff updates in the first week, announcing new surcharges ranging from 5% to 25%, depending on the company.

A week later, it was announced that China and the U.S. agreed to significantly lower the tariffs they’d imposed on each other and settled on an initial agreement while they complete trade talks. [“Stocks Soar After U.S. and China Tariff Talks. Here’s What Investors Need to Know Now,” MSN].

After the agreement, many companies sent out follow-up announcements indicating that surcharges were

being drastically reduced. For example, one manufacturer lowered the tariff surcharge for select kits from 107% to 27%. These “gametime changes” represent industry manufacturers attempts to adapt to the fluctuating economic environment in real time and to minimize the impact for their customers.

Managing inventory for greater profitability

In addition to regular pricing adjustments, companies must also closely manage their inventory. Hurtte and Grace said many manufacturers and distributors are concerned about “potential supply chain delays and potential stockpiling of inventory by competition or cash-rich distribution.”

Luby addressed several inventory issues in his Fence News article “What does the current ‘tariff rollercoaster’ mean to the fencing industry?”

“The classic response to volatility risk is to invest in preparedness, calibrating how much you invest in alternatives with the level of risk you face,” said Luby. He suggested that companies consider stockpiling high-risk products such as steel, aluminum, and wood products.

Bender said, “No one is forecasting a drastic drop in Gross Domestic Product. Consumers still have healthy

bank accounts and investing in doors and gates are still relatively affordable upgrades for homeowners.”

“All I can say is plan well, balance inventory levels, and bid carefully. Underbidding in this climate can be devastating,” added Luby.

Calming supply chain fears

Businesses are understandably concerned whether their profits will suffer while they search for the most effective inventory strategy. Yet, experts remain optimistic.

“We don’t foresee severe supply chain shortages from tariffs, especially for the B2B markets like automotive, heavy equipment, building products, and industrial materials,” said Gurizzian. One access control manufacturer said, “We do not anticipate supply chain issues. We recognize the critical importance of timely delivery to our customers and that remains a consistent priority to our company.”

Industry experts echoed the good news reporting that many companies were prepared, made purchases before the tariffs hit, and then slowed procurement when tariffs first hit with the anticipation that they would drop.

Bender said that a company’s strategy will depend on whether they have an existing stockpile of inventory already in place. “There may be a slight dip in buying due to the uncertainty, but the market hasn’t disappeared, so most companies will need to continue to maintain their stock.”

Since COVID-related supply chain disruptions, both manufacturers and dealers have already increased inventory levels, said Gurizzian. “Looking ahead, companies may scale back inventory

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levels anticipating more favorable trade agreements or exemptions emerging, leading to a more agile operational model.”

So, businesses should do their best to maintain healthy inventory levels (regardless of pricing) because research indicates that there is still solid demand for garage doors, security, and gate and access control products.

“Many of the products sold in the industry, consumers need. Companies may just have to pay more for them in the short-term,” Bender said.

Sourcing alternatives

While much of the industry already manufactures products domestically, key components are still sourced internationally, said Gurizzian.

“We anticipate this trend will persist, though shifts in sourcing strategies will likely occur as businesses adjust to tariff-related volatility.”

Companies will explore alternative suppliers and regions to mitigate cost

fluctuations while maintaining production efficiency. “Some manufacturers have already adjusted their sourcing strategies by diversifying component suppliers across different regions where feasible.”

One industry manufacturer said that it’s a challenging balancing act. “Rates are changing quickly. We’re working to avoid material shortages and avoid overstocking highly tariffed materials. In addition, “Our purchasing and logistics group is working diligently to assure uninterrupted deliveries to our customers.”

However, even if companies consider adding or shifting suppliers, it’s not an instantaneous solution, said Bender. You may see a shift in the percentage, but Ducker Carlisle research indicates that manufacturers aren’t dropping their preferred product source altogether.

“Given the fluid nature of trade policies and the potential for tariff exemptions in this category, many companies have opted to retain their current sourcing approaches for now,

balancing continuity with strategic flexibility,” said Gurizzian.

Identifying tariff exemptions that may help

The Security Industry Association (SIA) is actively lobbying for relief from tariffs. On April 22, the organization sent a letter to U.S. Trade Representative Jamieson Greer and Secretary of Commerce Howard Lutnick, requesting exemptions for a broad range of security products.

The exemption letter argued that the security industry is a critical segment of the U.S. economy that contributes “over \$430 billion to the economy” and provides “over 2.1 million jobs in the United States.”

SIA Senior Manager of Government Relations Lauren Bresette said that “It was necessary to submit an exemption request because manufacturers and integrators that provide essential life safety and security products to American consumers are being put under enormous strain as they struggle

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Meet our industry experts



Tom Luby, owner, *Profit Builders International*

Tom Luby has helped hundreds of contractors within the fence industry achieve success with maximum profitability and efficiency. With over 25 years of experience consulting in the fence industry, he developed the “Roadmap to success,” a program that can help contractors succeed.



Paul Gurizzian, CEO, *Ducker Carlisle*

Paul Gurizzian is responsible for firm, client, and people management at Ducker Carlisle and specializes in the motor vehicle aftermarket. Gurizzian has 40 years of experience working in the industry at General Motors, Stellantis, and Honeywell and consulting at Ducker Carlisle.



Rhett Bender, senior engagement manager, *Ducker Carlisle*

Rhett Bender helps lead the Building Products Practice with a particular emphasis on exterior applications (fenestration, cladding, and roofing). He has over 10 years of experience at Ducker Carlisle.

Ducker Carlisle is a global consulting and M&A firm backed by decades of industry experience, proprietary data, and proven solutions. In May 2025, the company merged with Munich Strategy. Together, they can provide improved support for clients looking to enter and expand under a “local for local” strategy due to tariffs.

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to adapt to an uncertain and volatile trading environment.”

The exemption requests are also designed to preserve some reliability and consistency. “The exemptions would allow SIA members to continue providing valuable products to consumers without disruption at an affordable cost,” she added.

Overlapping SIA products

The SIA is requesting exemptions for imported components of security systems, security cameras, locks, and other door hardware and equipment (for a list of products considered for exemption, refer to the SIA Harmonized Tariff Schedule of the United States [HTSUS] Addendum).

Door, gate, and access control businesses should be following the status of the SIA exemption carefully, because many of the products included on their exemption request list apply to our industries. However, the outlook for exemptions is not good.

Bresette said that if granted, the tariff exemptions would cover all products that fall under the specific HTSUS, including door and access systems, hardware, and related equipment.

Creating an official exemption policy

As of May 20, the SIA had not received a response from the administration regarding their tariff exemption request. Since there is currently no formal exemption request process for tariffs, there is no clear timeline as to when the SIA will receive an answer.

“This is why our letter also requests that the administration create a formal request process, so that companies can also make arguments for more product-specific exemptions,” said Bresette.

Examining the Wild West of exemptions

Exemptions are not guaranteed, and future tariffs remain unpredictable. “It’s a bit of the Wild West when it comes to exemptions,” said Bender. “Some of the organizations we work with have lobbyists and groups actively arguing for relief via exemptions.” It’s a reasonable strategy considering over half of all products qualified for exemptions under the previous Trump administration.

However, there are differences in how the exemptions are announced and implemented this term. “We’re seeing announcements first, with exemptions possibly in mind, but it’s unclear what will ultimately be exempt,” Bender added.

Maintaining a hopeful outlook

There is no doubt that tariffs are influencing pricing strategies, inventory management, and supply chain operations across the door, gate, and access control sectors. Yet, the industry is demonstrating resilience bolstered by ongoing demand from consumers and the proactive strategies implemented by businesses.

“At the end of the day, things will level off and tariffs will find an even keel for all sides,” said Luby. “For years things have been lopsided.”

Luby, who had clients in several countries in South America and lived and worked there for several years, saw firsthand a tariff imbalance. “If you wanted to buy an American made new car in either Colombia or Peru, for example, you had to pay a 100% tariff. So, a \$40,000 Chevy would cost you \$80,000.”

He added that people in the fence industry are not overreacting right now, because the steel prices have been steady. “The mills will probably announce an increase, but when the unintended consequence of the increase hits the inflation bubble, the pushback will be thunderous and something will give, mark my words.”

As announcements are made, exemption efforts unfold, and trade negotiations evolve, it is important for all companies to stay informed, adaptable, and optimistic. Those that do will be best positioned to weather the tariff storm. ■



Page 8 of the SIA exemption request letter illustrated the importance of the security industry and its economic impact.

SIA Harmonized Tariff Schedule of the United Status (HTSUS) Addendum

Request for exemptions for imported components of security systems, security cameras, locks, and other door hardware and equipment, including (among many other components):

- Alarm systems
- Access control
- Camera systems
- Communications equipment and systems
- Identity management solutions
- Security-related uncrewed systems
- Robotics
- A range of other cutting-edge security solutions

Source: Security Industry Association, Addendum, Exemption Letter Request, April 22, 2025.