

# Floral GTIN Initiative

## Best Practices for External Substitutions

**Terms:**

***Item GTIN Substitution*** – It is not uncommon for buyers to allow suppliers to substitute different supplier items for product that is ordered if the supplier has an insufficient quantity of the ordered item on hand at order fulfillment time. A “substitution” item is generally the same product that does not compromise the specification or quality of the product. These items are considered to be “pre-approved substitutes” based on prior agreement between the two parties. The supplier may or may not need to contact the buyer before effecting the substitution on the order.

***Internal Product Substitution*** – This is a substituted item that comes from the supplier’s inventory and the supplier is the brand owner of the item.

***External Product Substitution*** – This is a substituted item that is purchased by the supplier with whom the order was placed from an alternative source when product from the initial supplier is not available. These items may be transported from the alternative source to the supplier’s facility for loading and shipment or it may be shipped directly from the alternative supplier’s facility to the buyer.

**NOTE: The typical process in the floral industry is for the original supplier to re-pack in their own boxes the product received by the alternate source. Then, the original supplier can put their own GTIN on the box of re-packed flowers. The process that follows pertains to those scenarios whereby the original supplier does NOT re-pack the items into their own boxes.**

## **Best Practices for External Substitutions**

*Supplier does not have the product themselves to fulfill the order. As such, supplier procures product from Alternate Source to fulfill the order.*

*Scenario A: Alternate Source ships product to initial Supplier's loading facility before shipment is made to the buyer's receiving location.*

### **Supplier Action:**

- Provide market partners with previously discussed and approved Alternate Source's product substitution GTIN information for system synchronization.
- Reflect the appropriate GTIN in both human readable format and GS1-128 bar code on:
  - Each individual Case (if not already done)

### **Buyer Action:**

- Pre-approve all potential trading partner product substitutions from Alternate Suppliers used by initial Supplier (if required).
- Synchronize all acceptable GTIN substitutions with internal systems on an as-needed basis.

*Scenario B: Alternate Source ships product directly to buyer on behalf of initial supplier.*

**IMPORTANT NOTE:** The process of having Alternate Source ship substituted product directly to buyer is a process that needs to be approved with buyer in advance. Some buyers will need to create separate purchase orders and will need to schedule deliveries separately.

### **Supplier Action:**

- Initial Supplier to provide market partners with previously discussed and approved product substitution GTIN information for Alternate Source GTINS for buyer system synchronization.
- Reflect the appropriate GTIN in both human readable format and GS1-128 bar code on:
  - Each individual Case (if not already done)

**Buyer Action:**

- Pre-approve all potential trading partner product substitutions if required.
- Synchronize all acceptable GTIN substitutions with internal systems on an as-needed basis.