

Floral GTIN Initiative

Best Practices for Internal 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.

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Scenario: Supplier does not have enough inventory to cover a buyer's order and therefore substitutes one of their own products (internal item substitution) for the one originally ordered.

Supplier Action:

- Provide market partners with previously discussed and approved product substitution GTIN information for system synchronization on an on-going basis.
- Reflect the appropriate GTIN in both human readable format and GS1-128 bar code on:
 - Each individual Box

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.