

PO - Stream Cost Model	(Costs in \$)												
Short Term Scenario - Double Stamped Mail to OCR - OCR Efficiency to 60% - Other direct labour variable										© Jim McCallum Publishing Ltd 2012			
Stream	Pre-sort	Face/C'cel	OCR	VCM	LSM	Primary Sort	Sec'y Sort	Air Letter Sort	Air Packet Sort	Parcels	Speedpost	Overhead Ind+Admin	Total Cost
	0.07	0.10	0.05	0.20	0.01	0.11	0.10	0.54	0.93	18.07	7.02	0.05	
<b>Stamped</b>													
OCR Readable	x	x	x		x							x	0.28
Non-readable to VCM	x	x	x	x	x							x	0.48
Non-readable to Manual	x	x	x			x	x					x	0.47
Non-readable to VCM & Manual	x	x	x	x		x	x					x	0.68
Manual	x	x				x	x					x	0.42
<b>Metered</b>													
OCR Readable	x		x		x							x	0.18
Non-readable to VCM	x		x	x	x							x	0.38
Non-readable to Manual	x		x			x	x					x	0.38
Non-readable to VCM & Manual	x		x	x		x	x					x	0.58
Manual	x					x	x					x	0.33
<b>Air Letter</b>	x	x						x				x	0.76
<b>Air Packet</b>	x	x							x			x	1.15
<b>Parcels</b>										x		x	18.13
<b>Speedpost</b>											x	x	7.08