

PO - Stream Cost Model					(Costs in \$)									
Long Term Scenario - 50% further increase in stamped and metered mail to OCR - OCR Efficiency to 80% - 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	0.04	0.24	0.01	0.11	0.11	0.56	0.95	18.47	7.24	0.05		
Stamped														
OCR Readable	x	x	x		x							x	0.27	
Non-readable to VCM	x	x	x	x	x							x	0.51	
Non-readable to Manual	x	x	x			x	x					x	0.49	
Non-readable to VCM & Manual	x	x	x	x		x	x					x	0.73	
Manual	x	x				x	x					x	0.45	
Metered														
OCR Readable	x		x		x							x	0.17	
Non-readable to VCM	x		x	x	x							x	0.41	
Non-readable to Manual	x		x			x	x					x	0.39	
Non-readable to VCM & Manual	x		x	x		x	x					x	0.62	
Manual	x					x	x					x	0.35	
Air Letter	x	x						x				x	0.79	
Air Packet	x	x							x			x	1.18	
Parcels										x		x	18.52	
Speedpost											x	x	7.30	