

EDAM[®] Predictive Model by ALL associates Group, Inc.

ABC Fortune, Inc.

This predictive model is based on ALL Associates Limited proprietary Enterprise Document Assessment Methodology - EDAM[®] It is intended to be used for general guidance and discussion purposes and should be verified using your companies own data and mode of operation.

PRODUCTION & OFFICE DOCUMENTS: PAGES				
Production and Office Document Silos				
Silo	Output Segments	Predicted Output Pages	% splits	Average Pages per Week per Employee
B1	Production Printing	583,560,752	29.5%	176
B2	Production Copying	259,536,172	13.1%	78
B Total	<i>Production Total</i>	<i>843,096,923</i>	<i>42.6%</i>	<i>255</i>
C1	Office fax/mfp	77,148,710	3.9%	23
C2	Office Copying	259,140,537	13.1%	78
C3	Office Printing	798,785,870	40.4%	241
C Total	<i>Office Total</i>	<i>1,135,075,117</i>	<i>57.4%</i>	<i>343</i>
B+C	Total	1,978,172,040	100.0%	598

PRODUCTION & OFFICE DOCUMENTS: COSTS				
Production and Office Document Silos				
Silo	Output segments	Predicted output costs	% splits	Average cost per week per employee
B1	Production Printing	\$350,136,451	28.3%	\$105.85
B2	Production Copying	\$124,577,362	10.1%	\$37.66
B Total	<i>Production Total</i>	<i>\$474,713,813</i>	<i>38.4%</i>	<i>\$143.51</i>
C1	Office fax/mfp	\$73,291,274	5.9%	\$22.16
C2	Office Copying	\$129,570,269	10.5%	\$39.17
C3	Office Printing	\$559,150,109	45.2%	\$169.03
C Total	<i>Office Total</i>	<i>\$762,011,652</i>	<i>61.6%</i>	<i>\$230.36</i>
B+C	Total	\$1,236,725,465	100.0%	\$373.86

COMMERCIAL, PRODUCTION & OFFICE DOCUMENT COSTS					Est. Total Burdened Cost of Documents as a % of Gross Revenue
Commercial Document and Printing Silo					
Silo	Output Segments	Predicted Output Costs	% splits	Average Cost per Week per Employee	
A	Commercial	\$272,079,602	22.0%	\$82.25	1.48%
B	Production	\$474,713,813	31.5%	\$143.51	2.58%
C	Office	\$762,011,652	50.5%	\$230.36	4.14%
A+B+C	Grand Total A+B+C	\$1,508,805,067	100.0%	\$312.61	8.19%

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ALL associates Group - Initial Financial Analysis for ABC Fortune, Inc.

Notes	Description	ABC Fortune, Inc.	Potential Savings base metric of 1% savings per week/employee	Potential Savings at 10% savings per week/employee	Potential Savings at 25% savings per week/employee
1	2002 Revenue	\$18,423,500,000	base metric ↓ 1%	low hanging fruit ↓ 10%	serious corporate attention ↓ 25%
2	2002 Net Income	\$805,000,000			
3	2002 Employees	63,615			
4	2002 SG&A				
5	2002 SG&A per employee				
5 (a)	2002 SG&A Expense ratio %				
5 (b)	2002 Industry average ratio				
6	Revenue per employee	\$289,609			
7	Net Income per employee	\$12,654			
8	Number of customers				
9	Total burdened cost of documents & print (Commercial, Production & Office)	\$1,508,805,067			
10	Total Burdened Cost of Documents and Print expressed as a % of Gross Revenues	8.19%			
11	per employee per year	\$23,718			
12	Total Office Document Output at Enterprise level	\$762,011,652	\$7,620,117	\$76,201,165	\$190,502,913
13	fixed costs	\$76,201,165	\$762,012	\$7,620,117	\$19,050,291
14	IS Support	\$38,100,583	\$381,006	\$3,810,058	\$9,525,146
15	IS Infrastructure	\$38,100,583	\$381,006	\$3,810,058	\$9,525,146
16	Admin & Purchasing	\$38,100,583	\$381,006	\$3,810,058	\$9,525,146
17	Production Costs	\$213,363,262	\$2,133,633	\$21,336,326	\$53,340,816
18	Document Costs	\$358,145,476	\$3,581,455	\$35,814,548	\$89,536,369
19	Total Office Document Output at Employee Level				
20	Annual costs - per employee	\$11,978	\$120	\$1,198	\$2,995
21	fixed costs	\$1,198	\$12	\$120	\$299
22	IS Support	\$599	\$6	\$60	\$150
23	IS Infrastructure	\$599	\$6	\$60	\$150
24	Admin & Purchasing	\$599	\$6	\$60	\$150
25	Production Costs	\$3,354	\$34	\$335	\$838
26	Document Costs	\$5,630	\$56	\$563	\$1,407
27	Weekly cost - per employee	\$230.36	\$2.30	\$23.04	\$57.59
28	fixed costs	\$23.04	\$0.23	\$2.30	\$5.76
29	IS Support	\$11.52	\$0.12	\$1.15	\$2.88
30	IS Infrastructure	\$11.52	\$0.12	\$1.15	\$2.88
31	Admin & Purchasing	\$11.52	\$0.12	\$1.15	\$2.88
32	Production Costs	\$64.50	\$0.64	\$6.45	\$16.12
33	Document Costs	\$108.27	\$1.08	\$10.83	\$27.07

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Notes:

1-8 The table has been created using public domain financial data plus cross industry research and metrics from ALL associates.

The resulting figures can ONLY be used as an indicative guide on the burdened costs associated with documents and print. Further detailed studies would be required to produce accurate figures for ABC Fortune, Inc.

9-11 The fully burdened cost of producing and managing all aspects of electronic and printed documents, including commercial printing, reprographics, photocopying, production print, facsimile and desktop/network printing is likely to be between 2% to 20% of gross revenues across the broad spectrum of industry types. The sector in which ABC Fortune operates would typically be around in the highest range of the spectrum.

Using the ALL associates EDAM Averages Index the average total pages per week per employee of 598 for both production hardcopy and distributed/desktop hardcopy output has been used to produce a hypothesis on total volumes and spend. These predictive measurements produce the result of 8.19% of revenues equating to the total ABC Fortune internal and external burdened documents and print costs, including commercial print costs.

Alternative formulae

ALL associates have alternative industry metrics to predict the annual cost of all print and document management. In the absence of detailed knowledge of ABC Fortune at this time, no attempt has been made to produce alternative predictions.

12 Office Document Output and Management burdened costs have been calculated at 50.05% of the Total Burdened Cost for all Documents/Print across the Enterprise, including Commercial, Production and Office.

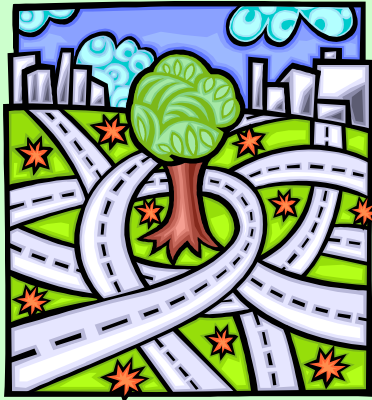
13-18 ALL associates research on the burdened costs of office document management includes over 1,000 interrelated cost chains and activities, categorized within the 6 primary EDAM cost groups below:

Total burdened cost of Enterprise-wide Office Output	Cost Group	100%	GENERAL NOTE Figures may be subject to rounding errors					
Hard Costs - Hardware purchase, lease, rentals for Printers, Copiers, Fax and MFPs, toner, paper, maintenance, power, etc.	Fixed Costs	10%		GENERAL NOTE Figures may be subject to rounding errors				
IS Support - help desks, deskside suport, installation, drivers, decommissioning & moving, asset mgt., product testing, etc.	IS Support	5%			GENERAL NOTE Figures may be subject to rounding errors			
System Infrastructure - servers, network connections, mainframe conversions, application report generation, formatting & updating	System Infrastructure	5%				GENERAL NOTE Figures may be subject to rounding errors		
Administration & Purchasing - costs/overheads, orders, billing, RFP's, RFQs, stock control, related stationery purchasing, etc.	Admin & Purchasing	5%					GENERAL NOTE Figures may be subject to rounding errors	
Production process - End User time and activity, intervention, manual preparation and finishing, using copiers, faxes, etc.	Production Process (end user)	28%						GENERAL NOTE Figures may be subject to rounding errors
Document process - filing, storage, binding, folders, retrieval, postage, preprinted forms, electronic forms, creation, etc.	Document Process	47%						

Paper Output: Some environmental effects!

ABC Fortune, Inc.

	Currently Used	Planned Savings
Estimated Total sheets of paper from production and office output	1,978,172,040	
Costing this amount of energy use in kWh's of energy:	402,356,053	
Equivalent to powering this many homes for six months:	98,129	
Generating cubic feet of landfill space:	271,866	
enough to fill up this many Ford Trucks:	5,230	
Using this many gallons of water:	70,483,820	
enough to do this many loads of laundry:	1,409,676	
Taking this many gallons of oil:	6,867,138	
enough for an average oil top up on this many cars:	27,468,552	
ANNUAL NUMBER OF TREES REQUIRED:	85,605	



Calculations based information from the US Environmental Protection Agency (EPA)