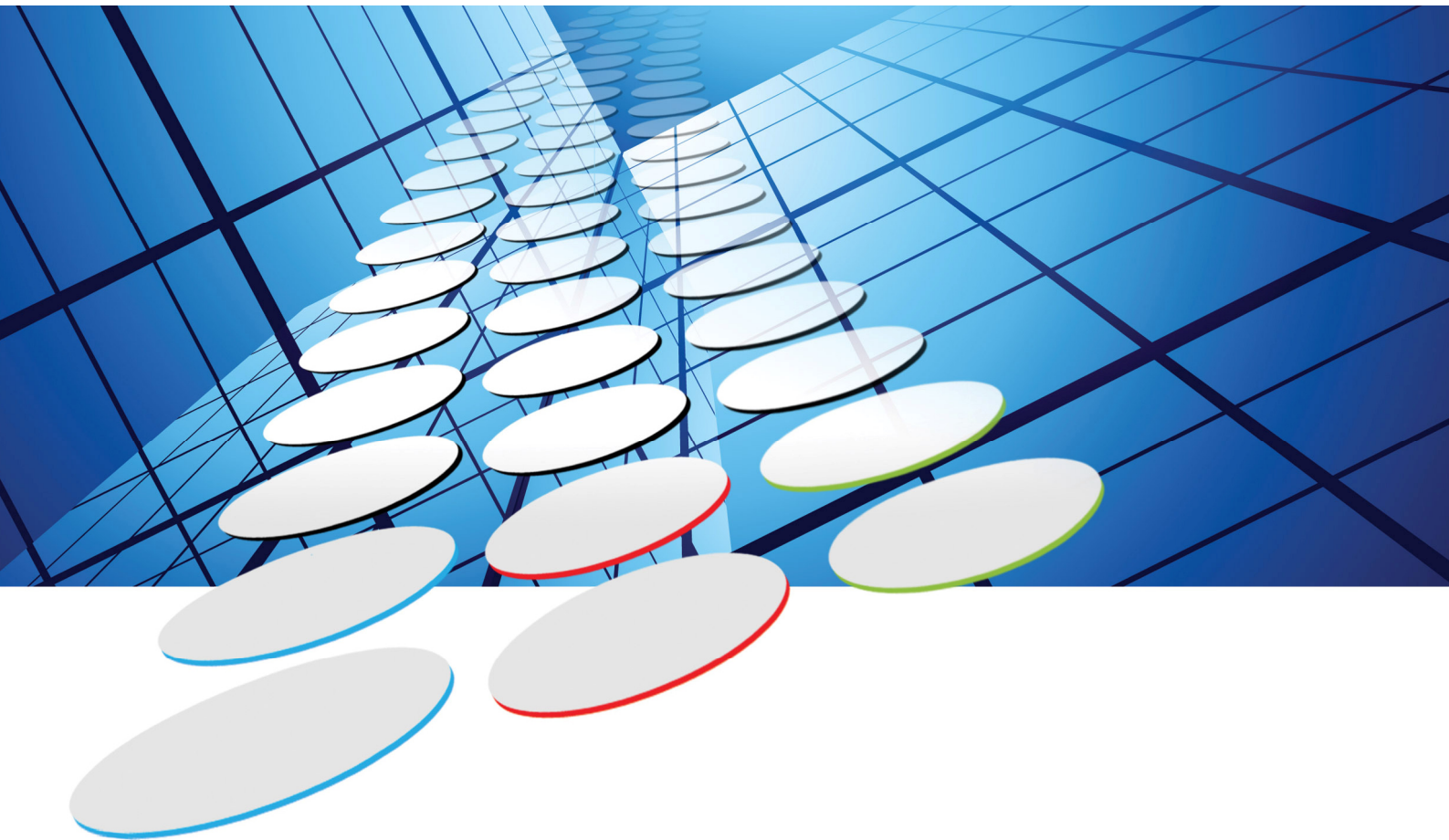


The environmental benefits of an outsourced mailroom solution

A Comparative Life Cycle Analysis (LCA)

September 2010



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For every 1 million mail items processed, Converga's outsourced (off-site) mailroom solution saves approximately 38 tonnes of CO₂

Organisations are constantly striving to find more efficient and streamlined procedures to keep costs low. For organisations that receive a high-volume of mail, outsourcing their mailroom function to a professional organisation such as Converga is a practical option. It allows them to focus on their core business, saving time, money and floor space.

One factor that has not been a significant focus of outsourcing is the environmental impacts. Does mailroom outsourcing really help the environment?

Converga decided to test if its off-site outsourced mailroom solution could also benefit clients from an environmental perspective. In conjunction with Advitech, Converga's Life Cycle Analysis (LCA) of mailroom solutions was completed in August 2010. It showed a clear environmental advantage of an off-site solution: for every 1 million mail items processed by Converga, up to 38 tonnes of CO₂ can be saved if the mail is processed in an outsourced mailroom facility.

To attain the results of the LCA, Converga's client, *The University of Sydney (the University)*, was studied. The study compared the current outsourced Converga operation with the University's previous in-house operation. To compare these two scenarios, each activity involved in the mail processing cycle – from processing to delivery - was modelled. The basis for the LCA was one standard unit of mail delivered. The study compared and quantified the environmental performance of each activity with a focus on energy consumption and Greenhouse Gas (GHG) emissions.

This LCA endorses Converga's off-site mailroom solution as the greener option as it shows lower overall GHG emissions than the conventional in-house mailroom model. Let's look at the analysis in more detail.

Definition of a 'Life Cycle Analysis (LCA)

LCA is an effective way for industry professionals to analyse the environmental impacts of products and/or services. It is a tool that systematically quantifies environmental impacts, such as energy consumption, greenhouse gas emissions etc., from cradle to grave. This LCA addresses the elements involved in a Converga outsourced off-site mailroom solution vs. an in-house client mailroom.

The two systems were analysed

In the assessment, two mailroom solutions were compared: Pre-Converga (In-house) and Converga Outsourced (off-site).

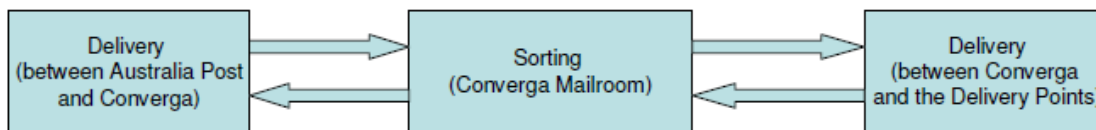
- *Pre-Converga (in-house)*: The first system models the process by which mail was handled by the University before Converga's solution was implemented. In this process mail is delivered to and picked up for lodgement by Messenger Post directly from the University. This mail is sorted on-site by University employees and then distributed around the campus by a Messenger Post delivery driver.

Each box in the diagram below represents a process that is required to deliver the mail to its intended recipient within the University. The arrows pointing from left to right represent the incoming mail and the arrows pointing from right to left show the outgoing mail.



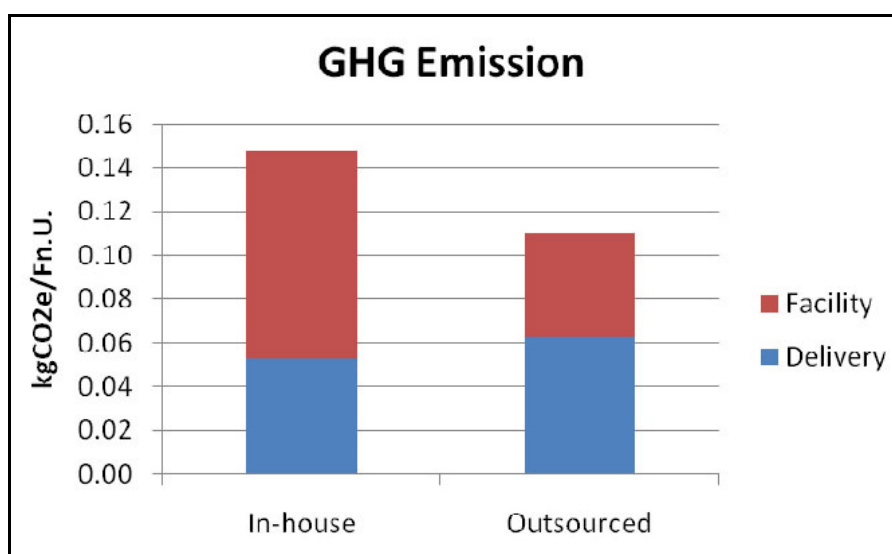
- *Converga Outsourced (off-site)*: The second system model is the process by which mail is handled by Converga. In this process mail for numerous clients is picked up, lodged and distributed by a Converga courier. Mail sorting is done by Converga employees at the Converga Technology Centre (CTC) located in St. Leonards, Sydney.

Similar to the previous model, each box in the diagram below represents a process that is required to deliver mail to its intended recipient within the client's organisation.



Results

The table below shows the total GHG emissions for both the in-house and outsourced mailroom models. It shows that the in-house mailroom model contributes more GHG emissions per functional unit (one item of mail of a certain size delivered and the outcomes are normalised with respect to one mail item) than the outsourced model. While the delivery phase has a greater GHG emission in the outsourced model, as a result of the longer haulage distance, the facility phase contributes much lower GHG emissions in the outsourced model.



How are the environmental benefits achieved?

In the ConvergA outsourced mailroom solution a number of factors contribute to it being a more environmentally friendly option:

- As ConvergA processes larger quantities of mail than the in-house mailroom, ConvergA can utilise their mailroom facility more intensively and efficiently therefore the physical footprint is reduced vs. the in-house solution.
- Because ConvergA services multiple clients in the CTC it means only one trip to the post office for multiple clients. ConvergA's mailroom professionals are specifically trained in mail handling processes, achieving labour efficiencies approximately 50% more efficient than using an in-house model.
- Equipment such as MFD's, mail sort machines, printers etc are used by multiple customers in the ConvergA model vs. one customer in the in-house solution.
- ConvergA is an ISO14001 Accredited Organisation.

The following conclusions are made:

- Optimised utilisation of mailroom facilities has the greatest impact on environmental burdens.
- The final assessment concludes that the practice of outsourcing mailrooms results in a lower GHG emission.

Download the full report at our website: www.converga.com.au/environment

About Converga

Converga began operations in 1994 as a mailroom service provider, and as the demand for Information Management services increased we emerged as professionals in Australia and New Zealand in Business Outsourcing and Business Co-Sourcing services.

Converga has a range of office and business solutions which use imaging, data capture, document management and workflow technologies to provide clients with real competitive advantage. It's our business to rationalise, re-engineer and automate the workflow processes in organisations. Ultimately we turn data into valuable information and help drive enterprise-wide cost savings. Also, importantly for today's organisation, our solutions help our clients reduce their impact on the environment.

About Advitech

Advitech Pty Limited is a responsible, professional and innovative technology-based organisation, providing engineering, technology and information management services to a broad customer base across the manufacturing, industrial, commercial, government and defence sectors. Advitech is a locally owned and operated company, with offices in Newcastle (Head Office) and Parramatta, NSW, Australia.