

# Multi-Bind Inline Co-mail Postal Savings Allocation Model

The Quad Postal Savings Allocation Model fairly and equitably allocates all postal savings from a co-mail event to the participating mailers, no matter what size.

## RATIONALE

It's important that the co-mail environment is favorable for both the larger mailer and the smaller mailer. To ensure this, our model uses a modifier (0.75). One can see how this affects the "per/M" savings for each client in the sample that follows. Client A provided only 20% of the volume, yet received a disproportionately higher "per/M" before the formula was applied. After applying the formula, the "per/M" becomes more fair and equitable for the participants.

### Postal savings allocation model applies when:

- There are multiple clients.
- One client has multiple titles co-mailing with one or more other clients' titles.

### Savings allocation model DOES NOT apply when:

- There is only one client and that client has multiple titles. (The client retains 100% of the savings so there is no need to apply the allocation model.)
- The co-mail process is offline (multi-mail and multi-wrap).

## ALLOCATION OF POSTAL SAVINGS

All (100%) of the savings pool is divided among the participants. QUAD DOES NOT RETAIN ANY OF THE POSTAL SAVINGS.

## ADVANTAGES

Quad handles all the management and coordination details of your co-mail event, including that important step of matching you with an appropriate partner.

## THE FORMULA

**Scenario:** Clients A and B are participants of a multi-bind event with a total circulation of 1,000,000 books.

Total combined gross postal savings = **\$25,634**. 100% of this number goes back to the clients.

**Client A:** 200,000 books, or 20% of the event.  
Gross postal savings = \$8,218 (or \$41.09/M)

**Client B:** 800,000 books, or 80% of the event.  
Gross postal savings = \$17,416 (or \$21.77/M)

1. Calculate the true prorated savings:  
Total Event Gross Savings x Client % of Event = True Prorated Savings  
**Client A:** \$25,634 x .20 = \$5,127  
True Prorated Savings  
**Client B:** \$25,634 x .80 = \$20,507  
True Prorated Savings
2. Calculate the savings spread:  
Client's Gross Savings - True Prorated Savings = Savings Spread  
**Client A:** \$8,218 - 5,127 = \$3,091  
Savings Spread  
**Client B:** \$17,416 - \$20,507 = -\$3,091  
Savings Spread
3. Apply the modifier:  
Savings Spread x Modifier = Modifier Spread  
**Client A:** \$3,091 x .75 = \$2,318  
Modifier Spread  
**Client B:** -\$3,091 x .75 = -\$2,318  
Modifier Spread
4. Calculate client's new/actual presort savings:  
Client's Gross Savings (- or +)  
Modifier Spread = Client's New/Actual Presort Savings  
**Client A:** \$8,218 - \$2,318 = \$5,900 (or \$29.50/M)  
New/Actual Presort Savings  
**Client B:** \$17,416 + \$2,318 = \$19,734  
(or \$24.66/M) New/Actual Presort Savings

See how we can help.