

A FOUNDER'S ARCHITECTURE · 2025

Designed by a Consultant to Replace Consultants.

*Why McKinsey's century-old institution and its \$6.4 billion AI practice are about to meet **Kincaid iQ Verify**, the operator-built forensic infrastructure that ships receipts instead of slides.*

MCKINSEY 2023

\$16B

Record annual revenue

AI SHARE (WSJ)

~40%

≈ \$6.4B arbitrage pool

KINCAID IQ CODE

997K

Lines · FastAPI / Python

EFAST2 INDEX

757K

Rows · SHA-256 verified

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SECTION I · MCKINSEY & COMPANY AT 100

A century-old firm at the center of **every** Fortune 500 boardroom.

To understand the arbitrage, you have to understand the institution producing it. McKinsey & Company is not just a consulting firm. It is the central nervous system of corporate decision-making in the developed world. Founded in 1926 in Chicago by James O. McKinsey, an accounting professor at the University of Chicago, the firm reached its hundredth year in 2026 with an institutional reach no peer in professional services can match.

FOUNDED

1926

James O. McKinsey · Chicago

REVENUE 2023

\$16B

Record year · generative AI boom

WORKFORCE

~40K

Down from 45K peak (2022)

OFFICES

130+

Across 65+ countries

TOP 100 CLIENTS

90 / 100

Of the largest global firms by revenue

SENIOR PARTNERS

700+

Electors of the Global Managing Partner

McKinsey is the oldest and largest of what the industry calls **MBB**, alongside Bain & Company and Boston Consulting Group. Its alumni network reads like a roster of the global C-suite. Sundar Pichai. Sheryl Sandberg. James Gorman. Pete Buttigieg. The firm has placed graduates at the head of Google, Meta, Morgan Stanley, the United States Department of Transportation, and a non-trivial fraction of the Fortune 500.

The cultural pull is immense. Approximately **200,000 applications** arrive each year for roughly **2,200 entry-level slots**, an acceptance rate near 1%. Harvard MBA acceptance is 11%. The McKinsey filter selects against a far smaller hole. Bob Sternfels, the 13th partner to lead the firm since its founding, was re-elected Global Managing Partner in 2024 to serve his second three-year term.

*McKinsey is not the **AI consulting** incumbent because it built AI.
It is the incumbent because it was already inside the room when **AI** arrived.*

This is the institution that booked record revenue in 2023, generated a record year on the back of generative AI demand, and reorganized in 2024 under **Project Magnolia** to lean its operational model and reallocate capital toward AI-specialized roles. It is the institution at the structural center of the argument that follows.

SECTION II · THE ENGAGEMENT ECONOMICS

How the firm **bills** · How the firm **leverages** · How the model **creaks**.

McKinsey's economic architecture is the pyramid. A partner at the top, principals and engagement managers in the middle, senior associates and associates in the body, business analysts and research staff at the base. The pyramid is the structure that makes the economics work. The partner sells the engagement on the strength of relationship and brand. The associates and analysts produce the underlying work product. The leverage ratio is the firm's gross margin. The pyramid is, in this sense, the IP.

Senior Partner

\$5,000 to \$15,000 per hour · effective

Owns the client relationship. Sells the engagement. Stewards the firm's brand. Re-elected by 700+ partner peers.

Partner / Principal

\$3,000 to \$5,000 per hour · effective

Owns engagement P&L. Manages 2 to 4 concurrent client engagements. The partner-track funnel.

Engagement Manager

\$1,500 to \$2,500 per day · billable

Day-to-day project leadership. Runs analyses, owns deliverables, manages 3 to 5 associates and analysts.

Associate / Analyst

\$500 to \$1,500 per day · billable

Produces the underlying work product. Models, slides, frameworks, interviews. The leverage base of the pyramid.

A typical McKinsey scoping and roadmap engagement at a Fortune 500 client runs **12 to 16 weeks** and costs the client between **\$2 million and \$8 million**. The engagement consumes one partner at roughly 25% allocation, one principal at 50%, one engagement manager at 100%, three to four associates at 100%, and a back-office analytics team that is billed at blended rates. The deliverable is a transformation thesis, an operating model recommendation, and a steering-committee charter.

The actual implementation, the part where infrastructure is built, deployed, and validated, is either subcontracted to a systems integrator (Accenture, IBM, Deloitte) or handed to the client's internal team. The McKinsey deliverable ends where the operator deliverable begins. This is not a flaw. It is by design. The firm reorganized under Bob Sternfels to deepen **implementation** capabilities and to shift toward value-based pricing on longer-term contracts. The pyramid, however, is structurally hostile to deterministic delivery. The pyramid sells the recommendation. The pyramid does not ship the receipt.

*The pyramid is the model that made McKinsey the firm it is.
The pyramid is also the **structural reason** McKinsey cannot ship what Kincaid iQ ships.*

SECTION III · QUANTUMBLACK & THE \$6.4 BILLION QUESTION

From a **Shoreditch basement** to McKinsey's **unified AI arm**.

The story of McKinsey's AI capability starts in a basement in Shoreditch, London. QuantumBlack was founded in **2009** by Giacomo Corbo, Simon Williams, and Sam Bourton under the name *Adaptiveflow Decisions*. The firm incorporated in 2011, renamed itself QuantumBlack Visual Analytics in 2012, and won its first major engagement applying advanced analytics to Formula 1 racing teams, where, in the words of Williams, *"differences between teams are measured in milliseconds, so they look for every available opportunity to make improvements."*

In December 2015, McKinsey acquired QuantumBlack. At the time of the acquisition, QuantumBlack had approximately **45 employees** operating out of London's Tech City. McKinsey simultaneously created the McKinsey Digital division and housed its analytics assets (McKinsey Solutions) within it. QuantumBlack became the AI engine of that division. By 2019 the firm had grown to 300 employees across six offices. Today, QuantumBlack AI by McKinsey employs approximately **7,000 people** globally and operates as the firm's unified AI arm, co-led by Alex Singla and Alexander Sukharevsky.

QuantumBlack is the largest AI consulting acquisition in management consulting history.

*It has not produced a single **fiduciary-grade** deliverable in middle-market actuarial defense.*

In July 2024, the Wall Street Journal disclosed that nearly **40% of McKinsey's work now relates to AI**. Applied to \$16 billion in annual revenue, that is approximately **\$6.4 billion in a single year**, anchored on the strength of a single thesis: that Fortune 500 companies cannot deploy AI without McKinsey's help. The thesis is enormously persuasive. It is also where the arbitrage lives.

What is sold under the AI consulting banner is a recognizable catalog. The **maturity assessment** establishes baseline AI readiness across people, process, and platform. The **readiness framework** identifies organizational gaps. The **strategic roadmap** proposes a phased AI deployment plan. The **operating model redesign** reconfigures reporting lines, decision rights, and centers of excellence. The **capability gap analysis** identifies talent shortfalls. The **executive workshop** aligns C-suite vision. The **steering committee charter** formalizes governance. The **change management plan** addresses cultural adoption. The **value-capture tracker** measures pilot outcomes.

Each artifact is professionally executed. Each is rigorously consistent with McKinsey's institutional methodology. *None of them is AI*. None produces a verifiable claim. None carries a probabilistic posterior. None ships infrastructure. The McKinsey AI engagement, stripped of branding, is a traditional consulting engagement with a different vocabulary. The vocabulary changed in 2023. The economics did not.

SECTION IV · THE OPERATOR'S AUTHORITY

I spent twelve years inside the model. Then I built the **system** that replaces it.

Before Kincaid iQ, there was Aon Risk Solutions. Twelve years as a Senior Vice President. Twelve years of actuarial reviews, broker selections, stop-loss placements, PBM evaluations, and fiduciary committee presentations. Twelve years inside the architecture that this article exists to disassemble.

This matters because the critique you are reading is not external. It is operator-grade. Every claim about what consulting deliverables fail to do, I produced some version of that deliverable. Every claim about what the broker stack extracts, I watched the extraction happen at the table. Every claim about what the Bayesian engine should produce, I built the engine because I knew, with operator certainty, what the current artifact could not.

*The consulting model cannot be replaced by an **outsider**.
It can only be replaced by an **operator** who built one too many decks and refused to build another.*

Aon. Brown & Brown. National Insurance Services. Huntington National Bank. Canon USA. The career arc that produced Kincaid iQ Verify is not a McKinsey career arc. It is the career arc of an operator who carried the actuarial books, sat across the table from the PBM negotiators, defended the broker compensation structures to fiduciary committees that did not have the analytical infrastructure to interrogate them, and produced enough renewal decks to recognize the failure mode for what it is.

The failure mode is information asymmetry as a business model. The consulting firm's premium pricing power depends on the client's inability to see what the consulting firm sees. The broker's renewal preservation depends on the plan sponsor's inability to read the Schedule A. The PBM's spread pricing depends on the contract language being opaque enough that disaggregation is impractical.

Twelve years inside that structure produces a specification. The specification is what Kincaid iQ Verify implements. The platform you are about to read is the answer.

SECTION V · ENGINEERING SPECIFICATIONS

The platform is not software. It is forensic infrastructure.

Kincaid iQ Verify V9.0 is a multi-agent forensic actuarial system, engineered from the founding of SiriusB iQ Ai Data Sciences Lab in December 2024 around a single thesis: every claim must carry an evidence anchor, every output must carry a lineage chain, and every probabilistic assertion must carry a Bayesian posterior.

CODEBASE

997,000

Lines · FastAPI / Python / PostgreSQL

DATA MODELS

32

ORM models · 78 API endpoints

TEST COVERAGE

185

Unit tests · CI/CD

CONSTITUTIONAL AGENTS

6

Independent reasoning · cross-validated

ENFORCEMENT CHAIN

7-Gate

Sequential gates · audit trail required

BENCHMARK INDEX

757,294

DOL EFAST2 rows · SHA-256 verified

The 7-Gate Enforcement Chain is the discipline that turns probabilistic AI output into fiduciary-grade artifacts. Every claim passes an evidence anchor check, a lineage trace, a Bühlmann-Straub credibility weighting pass, a benchmark reconciliation against the 757,294-row EFAST2 index, a confidence tier assignment, a falsifiability test, and a final audit gate. The chain produces three tiers of output: **CERTIFIED** (verified disclosure), **MODELED** (engine-derived with documented methodology), and **INSUFFICIENT EVIDENCE** (the honest answer when the data does not support an update).

The honest answer is the part that consulting decks cannot produce. A consulting deck cannot say *insufficient evidence*. A consulting deck has to recommend something. **Kincaid iQ Verify can refuse.**

The six constitutional agents reason independently against the same input. They are designed to disagree. The Evidence Agent ingests source documents and refuses to assert without anchor. The Lineage Agent traces every figure to its origin. The Benchmark Agent reconciles every claim against the EFAST2 index. The Bayesian Agent updates priors with documented likelihood ratios. The Disconfirmation Agent runs falsifiability tests on every hypothesis. The Audit Agent gates the final publish.

SECTION VI · SIX MODULES · SEQUENTIAL LAUNCH

From Rx Defense to the Flagship.

Kincaid iQ Verify is not a single product. It is a six-module forensic operating system that ships in a deliberate sequence across the next three fiscal years. Each module disassembles one specific extraction vector in the middle-market self-funded health plan.

Q2 FY26

Rx PBM Defense Contract X-Ray

Forensic disassembly of PBM spread pricing, rebate retention, and formulary distortion. Sequenced first because the PBM Shadow Tax carries the highest posterior across the platform (99.9% CERTIFIED).

Q4 FY26

Sales Console iQ

Operator-facing engagement console. Productizes the forensic actuarial defense workflow for brokers and consultants who want to ship Bayesian-grade artifacts rather than maturity assessments.

Q2 FY27

Stop-Loss iQ

Dynamic stop-loss attachment optimization with Gen AI evidence ingestion. Addresses unhedged catastrophic exposure under specialty Rx and gene therapy adjudication.

Q4 FY27

Network iQ

Network discount degradation forensics. Re-procurement infrastructure and reference-based pricing analysis. Closes the gap between contracted and realized discount.

Q2 FY28

Fiduciary iQ

ERISA §404(a) fiduciary posture engine. Continuous FSI™ scoring, Tibble v. Edison monitoring discipline, CAA 2021 disclosure rights enforcement, Annual Fee Reasonableness Review automation.

Q4 FY28 · FLAGSHIP

Kincaid iQ Verify · Full

The complete forensic operating system. All five preceding modules integrated. Multi-agent constitutional architecture. End-to-end Form 5500 ingestion through Bayesian audit trail delivery.

SECTION VII · THE 757,294-ROW ANCHOR

The Evidence Spine Protocol.

Every assertion the platform makes is anchored. The anchor is the Kincaid iQ EFAST2 National Benchmark Index: **757,294 rows** compiled from the DOL Form 5500 public filings across multiple plan years, with SHA-256 cryptographic integrity verification on every row. This is the empirical floor against which every middle-market self-funded health plan in America is now measurable.

The competitive significance is structural. No consulting firm has compiled the index. No broker has compiled the index. No PBM has compiled the index. The reason is not technical capacity. The reason is that the index makes opacity untenable, and opacity is the business model of every intermediary in the fiduciary chain.

The Evidence Spine Protocol is one sentence.
No anchor, no claim. No lineage, no publish.

The protocol governs every output Kincaid iQ Verify generates. If a claim cannot be traced to a Form 5500 line item, a published validator (KFF, Mercer, Milliman, Aon, WTW), or a labeled engine-modeled output with documented methodology, the claim does not appear in the deliverable. There is no fourth category. There is no rhetorical filler. There is no transformation thesis without a benchmark.

The validators integrate by design. **KFF Employer Health Benefits Survey** sets the Single and Family premium reference. **Mercer NSEHBP** sets the total PEPY. **Milliman Medical Index** sets the per-person reference. **Aon Health Survey** and **WTW Best Practices** set the trend triangulation. Every validator carries a year stamp. Every figure carries a source URL. Every methodology is reproducible by an opposing expert.

The audit trail is not a feature of the deliverable. **The audit trail is the deliverable.**

SECTION VIII · WHY ONLY AN OPERATOR COULD BUILD THIS

The platform **required** a consultant to build. It exists to **replace** consultants.

The technical capability to build Kincaid iQ Verify has existed for at least three years. Sufficiently capable language models, vector databases, public DOL EFAST2 data, and Python actuarial libraries have all been available since 2022. None of the large consulting firms have built the platform. None of the global brokers have built the platform. None of the PBM aggregators have built the platform.

The reason is not capability. The reason is incentive. A consulting firm cannot build the infrastructure that obsoletes its own consulting model. A broker cannot build the infrastructure that discloses its indirect compensation in real time. A PBM aggregator cannot build the infrastructure that exposes its spread pricing transparently. The market structure prevents the players inside the structure from disassembling it.

*The platform **required** a builder who lived inside the model long enough to see every failure mode and short enough to still be **angry** about it.*

The twelve years at Aon Risk Solutions provided the failure-mode catalog. Twelve years of watching brokers defend their indirect compensation through opacity. Twelve years of seeing PBM contracts renew with rebate language no committee could parse. Twelve years of stop-loss attachment placements where the underwriting math was hidden in the carrier's pricing model. Twelve years of fiduciary committee meetings where the deliverable was a deck and the receipts lived somewhere else.

The catalog became the specification. The specification became the platform. The platform became the alternative that no one inside the existing model had the incentive to build.

Kincaid iQ Verify is the artifact of that career arc compressed into infrastructure. The 997,000 lines of code are not arbitrary. They are the codified disassembly of the failure modes that produced the broker shadow tax. The 757,294-row benchmark is not arbitrary. It is the empirical floor that makes the disassembly defensible. The 7-Gate Enforcement Chain is not arbitrary. It is the operational discipline that makes the disassembly survivable in court.

SECTION IX · THE NOTRE DAME QUESTION

The platform exists for **working families** who will never read it.

There is a moral center to this argument that no technical specification reaches on its own. It is the part that requires a different register.

Every middle-market self-funded health plan in America is funded by working families. The 983 participants at Metal Sales Manufacturing Corp in Indiana. The thousand-plus families inside every middle-market manufacturer, hospital system, school district, and professional services firm across the country. They do not read Form 5500 filings. They do not attend the fiduciary committee meeting. They do not negotiate the PBM contract. They show up. They clock in. They watch the deduction come out of every paycheck.

The deduction is not the price of healthcare. The deduction is the price of healthcare *plus* the broker stack *plus* the PBM shadow tax *plus* the stop-loss carrier margin *plus* the network discount degradation *plus* the float drag *plus* the fixed-fee dilution.

*Kincaid iQ Verify is not built for the executives who read it.
It is built for the **working families** who never will.*

The 997,000 lines of code exist because a 983-life Indiana manufacturer should not pay \$100,000 in redundant ancillary commissions to three brokers it will never meet. The 757,294-row benchmark exists because a Section 125 plan should be reconciled against a national empirical floor, not against the broker's renewal pitch. The 7-Gate Enforcement Chain exists because the prescription that gets filled, the procedure that gets pre-authorized, and the deductible that gets right-sized all depend on whether someone in the fiduciary chain is willing to read the receipts.

That someone, until December 2024, did not exist as institutional infrastructure. It existed as the conscience of individual operators inside consulting firms who could not change the model from inside. **Kincaid iQ Verify is that conscience compiled into Python.**

McKinsey sells the **dream** of AI transformation. Kincaid iQ ships the **defense**. The working families **never had to ask**.