A FORENSIC THESIS · 2025

The $6.4 Billion Arbitrage.

Why Kincaid iQ was designed to make **AI consulting** *obsolete.*
And why the working families inside every middle-market plan in America are the moral center of this argument.

MCKINSEY 2023 REVENUE	AI-RELATED SHARE	ARBITRAGE POOL
$16B	40%	$6.4B

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The math is straightforward. The arbitrage is not.

In 2023, McKinsey & Company reported revenue of approximately **$16 billion**. In 2025, the Wall Street Journal disclosed that AI-related consulting now accounts for roughly **40% of that revenue**. The arithmetic is straightforward: **$6.4 billion in a single fiscal year**, sold by a single firm, on the strength of a single thesis.

The thesis is that Fortune 500 companies cannot deploy AI without McKinsey's help.

The thesis is wrong. It is also the largest arbitrage opportunity in modern professional services.

To see why, we have to be precise about what is actually being sold. McKinsey is not building AI. McKinsey is selling advice about AI. The advice arrives in PowerPoint. It is billed by the hour. It is anchored in maturity frameworks, transformation roadmaps, capability assessments, and operating model recommendations. None of these artifacts execute a transaction. None of them adjudicate a claim. None of them reconcile a Schedule A. None of them carry a Bayesian posterior. None of them ship.

> ***That is the gap. And the gap is where Kincaid iQ was designed to operate.***

SECTION II

The consulting model is a pre-AI artifact.

The professional services architecture that produced McKinsey, Bain, BCG, EY, and the rest of the modern consulting class was engineered for a world in which intelligence was *scarce*, *expensive*, and *stored in the heads of partners*. The economic structure rewarded that scarcity. Senior partners billed at $5,000 per hour because the knowledge they carried was difficult to acquire and impossible to systematize. Associates compounded the leverage. Frameworks were the IP. Slides were the deliverable. Travel and expenses were the lifestyle.

That architecture was rational in 1985. It was defensible in 2005. It is **structurally obsolete in 2025**.

The reason it is obsolete is not because consultants stopped being smart. The reason is that intelligence at scale is no longer scarce. A frontier-class large language model can ingest a 5,000-page corpus of internal documents, regulatory filings, and historical claims data in minutes. It can produce a synthesis that a McKinsey associate would have spent two weeks generating. It does so at a marginal cost approaching zero. The output is not the same quality. In many cases, it is better. Because the model does not have a renewal cycle to protect.

> ***The defensible position is no longer the analysis. The defensible position is the receipts.***

This is the part the consulting industry will not say out loud. Their core product, the synthesis of complex enterprise information into executable insight, has been commoditized by infrastructure that costs less than a single billable day.

SECTION III

What McKinsey sells when it sells "AI consulting."

The $6.4 billion in AI-related revenue is not, in any meaningful sense, AI revenue. It is governance and change-management revenue wrapped in AI vocabulary. The deliverables are recognizable to anyone who has sat through a McKinsey engagement in the last forty years.

There is the **maturity assessment**. There is the **readiness framework**. There is the **strategic roadmap**. There is the **operating model redesign**. There is the **talent and capability gap analysis**. There is the **executive workshop**. There is the **steering committee charter**. There is the **change management plan**. There is the **value-capture tracker**.

Each of these is a useful artifact in the right context. None of them is AI. None of them produces a verifiable claim. None of them carries a probabilistic posterior. None of them ships infrastructure. The McKinsey AI engagement, stripped of branding, is a traditional consulting engagement with a different vocabulary. The vocabulary changed. The economics did not.

The structural problem is that the buyer of the engagement, typically a Chief Information Officer or a Chief Strategy Officer or the executive sponsor of a transformation initiative, cannot easily distinguish between an engagement that ships AI capability and an engagement that ships AI advice about how to ship AI capability. *The information asymmetry favors the seller. The seller bills for the asymmetry.*

> ***This is not a moral failing of McKinsey.***
> ***It is a category error in the market. The category error is what creates the arbitrage.***

SECTION IV

What Kincaid iQ ships instead.

When Kincaid iQ was founded in December 2024 as SiriusB iQ Ai Data Sciences Lab and Think Tank, the founding thesis was specific. The thesis was that the next decade of enterprise AI will not be won by the firms that produce the most polished frameworks for AI adoption. It will be won by the firms that produce the most defensible **receipts**.

A receipt is not a slide. A receipt is an evidence-anchored, lineage-tracked, Bayesian-updated assertion that survives examination by adversarial counsel. A receipt cites the source document, the page, the dollar amount, and the disconfirmation criterion. A receipt carries a confidence tier. A receipt is reproducible. A receipt is auditable. A receipt is the kind of artifact that makes a fiduciary defense possible and a regulatory inquiry survivable.

The Kincaid iQ Verify platform was engineered to produce receipts at industrial scale. The platform comprises approximately **997,000 lines of code** on a FastAPI / Python / PostgreSQL architecture. It ingests the DOL EFAST2 Form 5500 corpus, a **757,294-row national benchmark index** with SHA-256 integrity verification. It runs six constitutional agents through a 7-Gate Enforcement Chain. It enforces the **Evidence Spine Protocol** on every output.

> ***No anchor, no claim.***
> **No lineage, no publish.**

This is not consulting. This is *infrastructure*.

When a Fortune 500 plan sponsor receives a Kincaid iQ forensic actuarial defense, the deliverable is not a deck of recommendations. The deliverable is a Bayesian audit trail. Every figure is year-stamped. Every benchmark is source-cited. Every regime probability is posterior-calibrated. Every modeled output is labeled separately from every verified anchor. **The deliverable survives discovery.** The McKinsey AI engagement does not.

SECTION V

The mathematics of the arbitrage.

Consider the structural economics. A McKinsey AI engagement at a Fortune 500 client typically runs **$2 million to $8 million** for a 12-to-16-week scoping and roadmap phase. The output is a transformation thesis and an operating model recommendation. The actual implementation, the part where AI infrastructure is built, deployed, and validated, is either subcontracted to a systems integrator or handed to the client's internal team.

The Kincaid iQ deliverable model is *inverted*. The forensic actuarial defense itself is the implementation. The Bayesian engine has already adjudicated the Form 5500 against the 757,294-row benchmark index before the deck is generated. The recoverable EBITDA is calculated at the deliverable layer, not recommended at the workshop layer. A typical Kincaid iQ engagement, billed at a fraction of the McKinsey rate, produces a defended capital recovery thesis that the client can act on within 90 days.

> ***The arbitrage is the gap between $2 million in slide deliverables and $44.8 million in recoverable EBITDA over a 15-year horizon.***

Metal Sales Manufacturing Corp is one engagement. The pattern repeats across every middle-market self-funded health plan in the DOL EFAST2 corpus.

That gap is what gets compounded across the next decade of fiduciary defense, regulatory inquiry, and M&A diligence. The plan sponsors who buy McKinsey AI engagements in 2025 will be defended by Kincaid iQ posteriors in 2027.

SECTION VI · THE MORAL CENTER

The Notre Dame question.

There is a moral center to this argument that no consulting deck has ever articulated. It is the part that the Stanford MBA voice and the MIT PhD voice cannot reach on their own. It requires a different register.

The Notre Dame question is whether the working families inside a **983-life Section 125 plan** in Indiana would be proud of what their plan sponsor paid for in their name. The answer at most middle-market plans is *no*. Not because the plan sponsor is malicious. Because the plan sponsor was sold a $2 million McKinsey AI transformation thesis when what the participants actually needed was a $44.8 million capital recovery defense.

> ***The capital recovery is not abstract.***
> ***It is the prescription that gets filled. The procedure that gets pre-authorized. The deductible that gets right-sized.***

It is the difference between a healthcare plan that exists for the participants and a healthcare plan that exists for the broker stack.

McKinsey's AI consulting practice did not cause the broker shadow tax. But it also did not solve it. The McKinsey AI consulting practice sells transformation theses to Fortune 500 CHROs while the AssuredPartners and Lockton configurations quietly extract $100,000 per year on dental, life, and vision schedules at the 983-life Indiana manufacturer that no consulting firm will ever notice.

Kincaid iQ was designed to notice. Kincaid iQ was designed to ship the receipts that make the noticing actionable. Kincaid iQ was designed to put the working families back at the moral center of the fiduciary chain.

McKinsey sells the dream of AI transformation.
Kincaid iQ ships the defense.

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