

McKinsey acquires spend analytics technology company Orpheus GmbH

DUESSELDORF, 6 February 2020 – McKinsey & Company is pleased to announce the acquisition of Orpheus GmbH, a leading provider of spend analytics technology and a recognized innovator in digital procurement. Founded in Germany in 2005, Orpheus' software helps organizations optimize their external expenditure throughout their operations by analyzing purchasing data streams for value capture opportunities and measuring realized procurement impact.

With this acquisition, McKinsey brings a new offering to clients: Spend Intelligence by McKinsey—a service that will enable spend transparency, spend and cost analytics, and value capture management. The offering is a powerful combination of Orpheus' advanced platform technology, and McKinsey's industry expertise and content-rich services in digital procurement.

By infusing best-in-class technology and AI-based analytics with deep supply-market and category-sourcing expertise, and by innovating with service delivery models including outsourcing, Spend Intelligence by McKinsey helps clients unlock value in their purchasing data: actionable insights that help capture more impact in procurement, sustainably.

Based in Nuremberg, and today with a robust set of clientele across industry sectors, Orpheus has a reputation for delivering quality and value in solution areas including automated data extraction; AI enabled spend categorization; and spend and category prescriptive and predictive analytics, including software agents (BOTs) and procurement impact tracking.

Spend Intelligence by McKinsey will be a core element of the digitally-enabled procurement function of the future, involved in all business value chain activities from product development to distribution, and playing a strategic role in managing budgets and costs, anticipating and mitigating supply risk, and driving compliance.

Spend Intelligence by McKinsey will support CPOs, CFOs, and category managers with actionable insights to effectively and efficiently address and manage these focus areas, resulting in significant bottom line benefits.

Clients of Spend Intelligence by McKinsey can choose from a pallet of technology solutions and services, meeting their specific needs, including: one-off spend cubes and opportunity assessments; technology licenses; spend data processing and actionable insight services; and impact program management.

Philipp Radtke, McKinsey Senior Partner and global co-leader of the Operations Practice, said: "We're delighted to welcome Orpheus GmbH to McKinsey. The new service will offer clients deeper and more consistent insights into opportunities for spend optimization through an innovative combination of data, software, category sourcing expertise, and services.

Jörg Dittrich, Orpheus CEO, said: "Orpheus is excited about joining forces with McKinsey. Together we can create a much richer solution and service offering that – with a single focus on driving impact for clients – is truly something new and differentiated in the space."

The launch of Spend Intelligence by McKinsey redefines a complex, underestimated, and undervalued discipline of Procurement Excellence into an exciting source of value creation for its clients.

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Key media contacts:

Germany and Austria

Philipp Hühne, Office: [+49 211 136 4486](tel:+492111364486), Mobile: [+49 175 318 4486](tel:+491753184486),

Email: Philipp.Huehne@mckinsey.com

About McKinsey & Company:

McKinsey & Company is a global management consulting firm committed to helping organizations create Change that Matters. In more than 130 cities and 65 countries, our teams help clients across the private, public and social sectors shape bold strategies and transform the way they work, embed technology where it unlocks value, and build capabilities to sustain the change. Not just any change, but Change that Matters –for their organizations, their people, and in turn society at large.

About McKinsey's Operations Practice:

McKinsey's Operations Practice identifies and captures opportunities for organizations to grow, whether that's through reallocating resources to free up capital for investment, finding new sources of competitive advantage, or fully optimizing the portfolio of products and services. The thoughtful application of new technologies and capabilities drives productivity throughout the organization and across the entire value chain including product development and procurement, manufacturing and supply chain, and service operations.