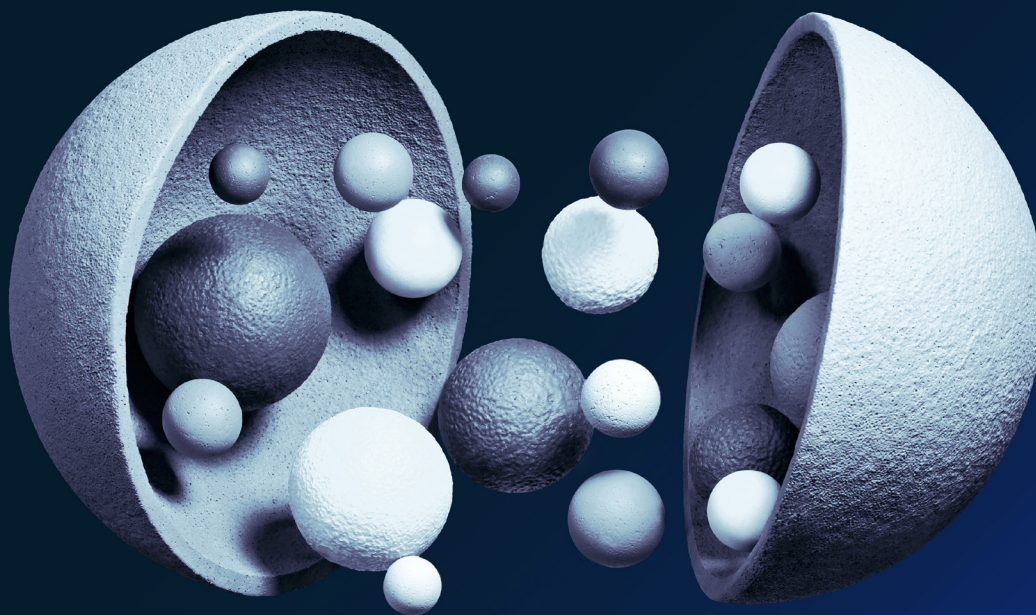McKinsey
& Company

Risk Practice

COVID-19 and the great reset: Briefing note #16, July 30, 2020

Our latest executive survey reveals a darkening outlook. But our review of vaccine research provides a ray of hope. This week, McKinsey covers the yin and yang of the pandemic.

July 2020

In North America and in developing markets, executives have become less hopeful about their countries' economies and more cautious in their views on potential scenarios for COVID-19 recovery. That's a key finding from our latest poll of more than 2,000 global executives. Leaders in China and India, on the other hand, are growing more upbeat (exhibit).
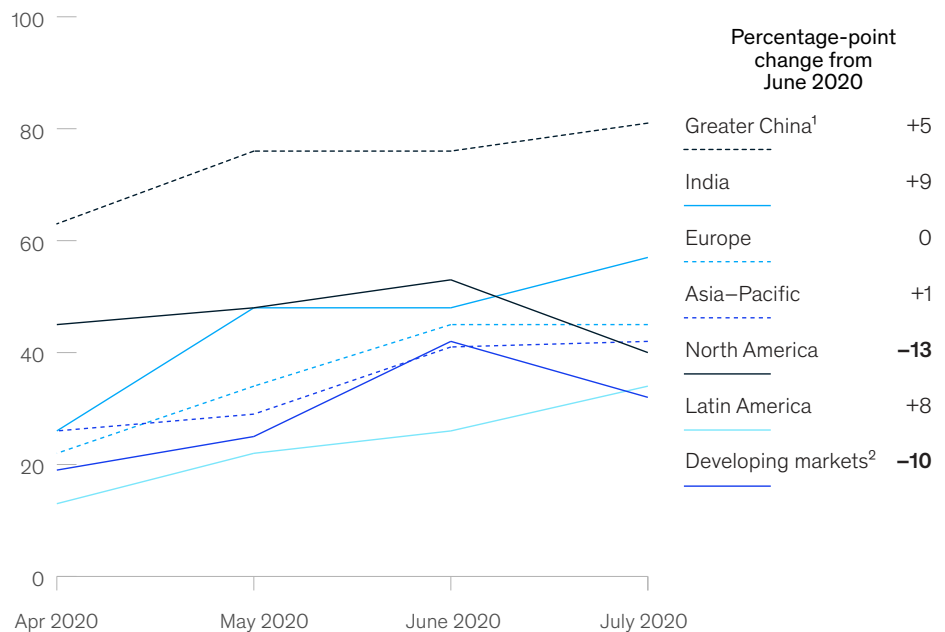
One thing that will certainly improve expectations in every country is news of a safe and broadly available vaccine. Our latest research looks at global vaccine development and finds that early data on safety and immunogenicity in Phase I and II trials are promising, though limited. Our review of historical attrition rates suggests that the current pipeline may yield more than seven approved products over the next few years, with some available for emergency use late this year or early in the next. A new interview with Microsoft's chief technology officer explains how artificial intelligence is aiding vaccine development. After development, it's on to production, where we argue that tech transfer may be critical to beating the disease.

Our new research on leadership in the crisis turned up several intriguing developments this week, starting with the idea of creating a "to be" list. Our interview with the CEO of Cincinnati Children's Hospital talks about how leaders can choose to be generous and genuine with some colleagues, and collaborative and catalytic with others. Leaders can also acquaint their teams with lessons from the

Exhibit

In North America and developing markets, outlooks on respondents' home economies have taken a negative turn.

Share of respondents expecting economic conditions in home country will be better in 6 months, %

	Percentage-point change from June 2020
Greater China[1]	+5
India	+9
Europe	0
Asia–Pacific	+1
North America	**−13**
Latin America	+8
Developing markets[2]	**−10**

[1]Includes Hong Kong and Taiwan.
[2]Includes Middle East and North Africa.

A new interview with Microsoft's chief technology officer explains how artificial intelligence is aiding vaccine development.

past. We looked at the post–World War II era, when countries rebuilt from the ashes, to extrapolate ideas that are just as relevant now. Finally, we identified the ways that leaders can shift mindsets and behaviors to reopen safely.

In the COVID-19 crisis, many companies are finding new leaders in unexpected places, well down the org chart. Some young middle managers are defying the problems and frustrations of this difficult period to achieve far more than others. Leading companies are capitalizing on this by installing four talent-management practices to thrive beyond the pandemic. These companies are also revisiting the playbook of chief HR officers, to understand how the crisis has changed the game.

McKinsey's industry-research teams were active this week, publishing new reports on the resiliency of national banking systems; the future of US freight and logistics; the lessons of past crises for mining companies; the recovery of Germany's travel industry; and the next normal for European bancassurance. Readers interested in banking should also see our interview with the chairman of the State Bank of India, India's largest lender and the world's largest digital bank. And bankers, retailers, and others should consult our must-see guide on how to understand and shape consumer behavior.

McKinsey continues to track economic and epidemiological developments around the world. For an overview, read our latest briefing materials (July 6, 2020). In 54 pages, we document the current situation, the economic outlook, the forces shaping the next normal, and the new organizational structures that can help companies keep pace sustainably. You can also see the full collection of our coronavirus-related content, visual insights from our "chart of the day," a curated collection of our first 100 coronavirus articles, our suite of tools to help leaders respond to the pandemic, and a look at how our editors choose images that help readers visualize the impact of an invisible threat.