COVID-19 and the great reset: Briefing note #33, November 25, 2020

What to make of the promising news on COVID-19 vaccines and new CEO insights on leading through the pandemic: here’s this week’s update.
The world has cheered recent announcements about COVID-19-vaccine candidates. Two are showing higher efficacy rates than many dared hope for. Higher efficacy provides greater benefit to any vaccinated individual and may help encourage uptake among some segments of the population. It also reduces the fraction of the population required to reach herd immunity (exhibit).

While that’s highly positive news, McKinsey research also finds that the new vaccines are likely to accelerate only slightly the timetable to the end of the pandemic. In the United States, normalcy is not likely until the second quarter of 2021, and herd immunity is not likely until the third quarter. In other words, the pandemic will not be vanquished soon, and businesses will continue to be challenged. See our latest briefing materials—129 pages to guide leaders through the difficulties of the next few months.

Exhibit

Vaccine efficacy and coverage are both important; recent data on efficacy brings clarity to likely coverage targets.

COVID-19-immunity scenarios¹

1 Two new vaccines have shown efficacy of ~95%  
2 US seroprevalence (natural immunity) is widely believed to be between 0–25%²  
3 The intersection of these values for efficacy and seroprevalence suggests that required coverage for the US is ~45–65%  
4 The model assumes that vaccines are distributed to adults and children. The new vaccines may not be indicated for children. If only adults are vaccinated, coverage may need to be 30% higher (ie, 58–85% vaccine coverage)

¹COVID-19 herd immunity achieved once total immune population reaches 58%, using basic reproductive number (R0) of 2.4; herd-immunity threshold calculated as 1 – (1/R0). The model assumes that each member of a population mixes randomly with all other population members. In reality, people mix mostly with others whose patterns of interaction are similar to their own. Subpopulations with fewer interactions have lower thresholds for herd immunity than do those with more interactions.

²Summary statistics, SeroTracker; November 19, 2020, serotracker.com. Our model assumes that test seropositivity correlates with natural immunity. Research is ongoing to validate this. If US seroprevalence continues to rise, then minimum vaccine coverage levels required will decrease.

³Assumes that vaccine will be given to entire population, regardless of whether they have had COVID-19.

Source: Moderna; Pfizer; SeroTracker; US Census Bureau
Leaders can also take inspiration and new ideas from their peers. This week, McKinsey experts spoke with five top executives to learn more about how they are leading through the pandemic. Amrita Ahuja, CFO of Square, spoke about the future of payments, including the potential for a cashless society and frictionless exchanges made possible by machine learning and even cryptocurrency. Jaime Augusto Zobel de Ayala, CEO of Ayala Corporation, talked about how the Philippines’ oldest conglomerate has taken on society’s pain points in housing, electricity, medicine, and water and his optimistic outlook for Asia. His main concern? The potential for geopolitics to create several sets of technological standards, producing inefficiencies and raising costs.

Telemedicine is one of the extraordinary growth stories of the pandemic. Annie Lamont, managing partner of Oak HC/FT, shared her insights on what it and other trends mean for healthcare investing. Lisa Weiland, CEO of the Massachusetts Port Authority, spoke with us about what it means to run a major transportation hub when passenger volumes are down by two-thirds. Airports are preparing for contactless journeys and other means to improve the customer experience. And Tim Welsh, vice chairman of U.S. Bank, explained how new skills are helping the nation’s fifth-largest bank better connect with its customers.

This year’s McKinsey Global Survey on Artificial Intelligence finds “no increase in AI adoption.” But the technology is far from stalled: one-fifth of companies are deriving at least 5 percent of their earnings from AI, and they plan to further their investments in this still-promising technology. And in the latest installment of McKinsey’s series with CNBC, senior partner Mary Meaney speaks with IBM CEO Arvind Krishna and Unilever chief HR officer Leena Nair to discuss how companies can organize for the next normal.

Finally, as the United States heads into a pandemic-altered Thanksgiving holiday, many are counting their blessings even harder than usual—and just as many are hoping for better days to come. A collection of articles and multimedia outlines McKinsey’s views on food security and the ways that food banks, distribution partners, philanthropic foundations, and the private sector can ensure that people across North America have reliable access to nutritious meals. Pradeep Prabhala leads the initiative and offers his thoughts in the New at McKinsey Blog.

Executives everywhere are thinking about the critical next months of the pandemic. Start with the McKinsey Download Hub to find McKinsey’s latest research, perspectives, and insights on the management issues that matter most, from leading through the COVID-19 crisis to managing risk and digitizing operations. Also consider our special collection The Next Normal: The Recovery Will Be Digital. The first three installments—a 172-page report on technology and data transformation, a 130-page report on the path to true transformation, and a 206-page report on reimagining the postpandemic organization—are available now. Two more are coming as part of Our New Future, a multimedia series we created with CNBC.

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 articles related to the coronavirus, our suite of tools to help leaders respond to the pandemic, and how our editors choose images that help readers visualize the impact of an invisible threat.