Risk Practice

COVID-19 and the great reset: Briefing note #23, September 16, 2020

Companies return to work after an unusual summer—and grapple with an uncertain future.
What now? Over the past six months, business leaders have reorganized supply chains, set up remote operations, and made tough financial decisions. The world anxiously awaits an effective COVID-19 vaccine that can be readily distributed. Until then, the priority is to reenergize organizations—to act rather than react. Even as the uncertainties of the COVID-19 crisis multiply, the goal must be to rebuild for the longer term. There are many ways to lead, but regardless of the type of business or geography, ten actions can form a path to emerge stronger from the crisis.

We start with an idea—that returning is a muscle that needs to be exercised, not a plan to be executed once or a date to be achieved. We go on to more specific considerations, such as the need to make big moves fast and to be willing to rethink entire portfolios, including where work gets done.

Those are four of the ten actions, and they make for a good starting point. But companies must adjust for the particulars of their industry. Healthcare companies might want to pay strict heed to six trends that are affecting their business. Most were under way before the crisis. But a crisis has a way of bringing things to a head: the coming months might be the best opportunity in memory for healthcare companies to pursue exponential innovation, which could create an additional $400 billion in value by 2025. And now is the time to claim the hundreds of billions of dollars that could be saved through productivity gains.

McKinsey’s healthcare researchers also took a close look at the US blood supply, which was fragile before the pandemic and is now critical. Businesses have a big role to play in the solution. Blood donors frequently cite convenience and social pressure as prompts. Virtual campaigns for blood drives can help blood centers quickly reach large audiences and steer them to the locations most convenient for them.

CFOs have a critical task too: for many, it’s budgeting season. Our new research finds that the financial-planning process for 2021 presents an opportunity to turn hard-earned lessons from the COVID-19 pandemic into an enduring exercise in linking strategy to value. And leaders across organizations need to consider the problems of unresolved grief—another issue that the pandemic has dragged into the spotlight.

Our industry research this week looked at fintech, where the news is not altogether bad, though fintech companies may have to find a detour on the road to profitability. We also considered M&A in pharma, a long-running trend that should continue. Companies are advised to make sure that three

Even as the uncertainties of the COVID-19 crisis multiply, the goal must be to rebuild for the longer term. There are many ways to lead, but regardless of the type of business or geography, ten actions can form a path to emerge stronger from the crisis.
capabilities—competitive advantage, capacity, and conviction—are up to snuff before pursuing COVID-19-era mergers.

Finally, the pandemic has forced a reckoning for many between the profit motive and a company's social purpose. A team of McKinsey editors recaps how we got from there to here, and suggests where we might go next.

As summer turns to fall in the Northern Hemisphere, executives are thinking through the contours of the next normal. Consider our special collection, "The next normal: The recovery will be digital," featuring a 172-page curated volume that you can download—the first of five edited collections that accompany "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 coronavirus articles, 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.