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Responding to COVID-19: Organizing to address the crisis

Information for US state leaders

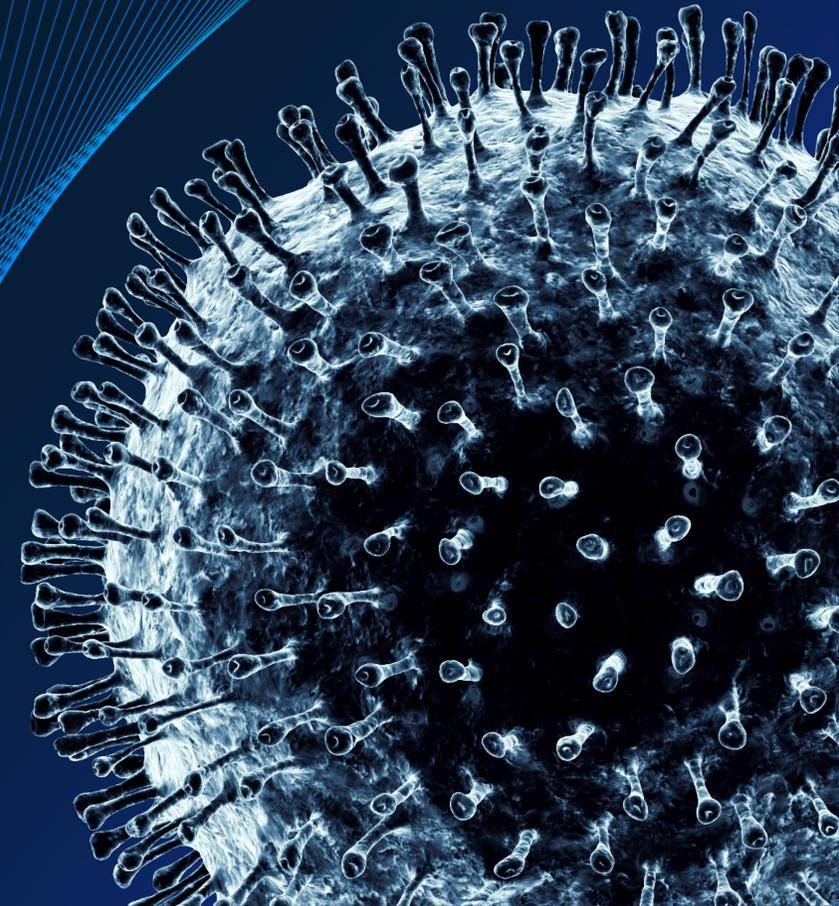
ALL INFORMATION CURRENT ONLY AS OF 4/17/2020

THIS DOCUMENT IS INTENDED SOLELY TO PROVIDE
INSIGHTS AND EXAMPLE PRACTICES.

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Introduction

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COVID-19 is, first and foremost, a global humanitarian challenge.

Thousands of health professionals are risking their own lives to heroically battle the virus. Governments and industry are working together to understand and address the challenge, support victims and their families and communities, and search for treatments and a vaccine.

State and local governments are facing an unprecedented and rapidly evolving situation.

Government leaders, first responders, healthcare workers, and more are displaying heroic leadership in the face of the crisis. State and local governments are facing the extraordinarily difficult task of addressing unprecedented crises in both public health and the economy simultaneously—and the crises continue to evolve daily.

This document is based on our work with private, public, and social sector organizations around the world.

It is meant to provide leaders with information as they respond to the unique health and economic challenges posed by COVID-19, and to offer examples of actions that governments have taken as they aim to protect their people and economies. It is not exhaustive, and it necessarily reflects only this moment in time. We will continue to update it regularly in the weeks to come.

The imperative of our time

Imperatives

1

Safeguard our lives

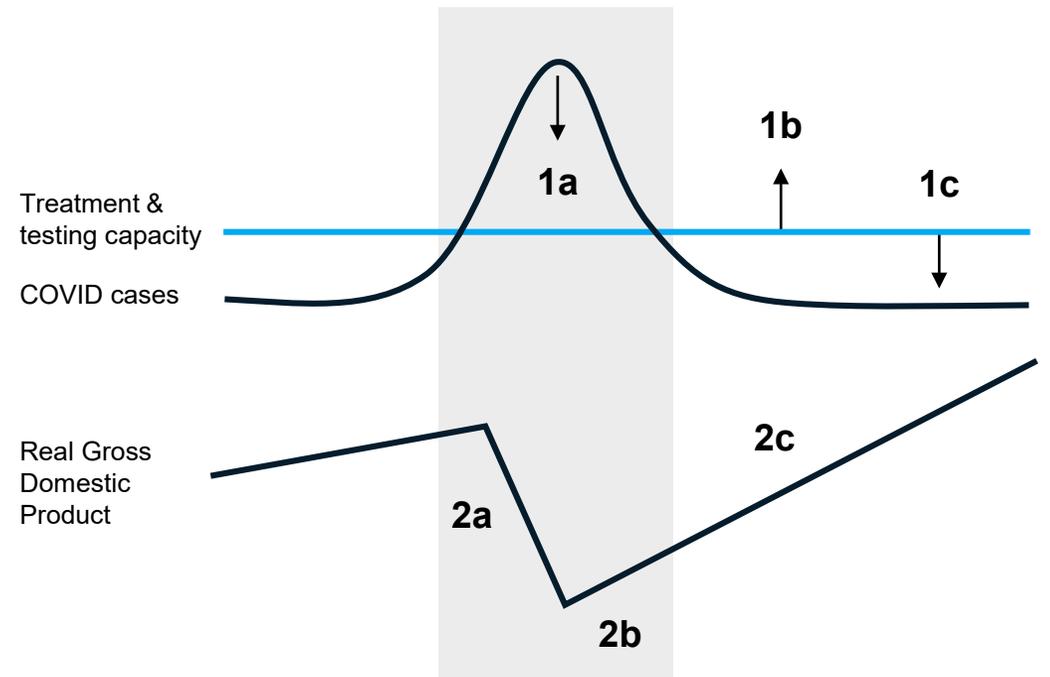
- 1a. **Suppress the virus** as fast as possible
- 1b. **Expand treatment and testing** capacity
- 1c. **Find cures:** treatment, drugs, vaccines

2

Safeguard our livelihoods

- 2a. **Support people and businesses** affected by lockdowns
- 2b. **Prepare to get back to work safely** when the virus abates
- 2c. **Prepare to scale the recovery** away from a -8% to -13% trough¹

“Timeboxing” the virus and the economic shock



~ -8% to -13% economic shock

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1. Real GDP

Source: McKinsey analysis, in partnership with Oxford Economics

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Organizing to address the crisis

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The COVID-19 epidemic is evolving rapidly

States are managing many urgent issues simultaneously across healthcare, economic, and other critical domains. The current situation is unprecedented and has often required actions beyond what are available in any existing playbooks. States are moving rapidly, bringing together diverse skillsets into cross-functional teams dedicated to the highest-priority challenges.

A COVID-19 “nerve center” can serve as an effective organizational axis

Senior leaders might consider creating a “nerve center”—a temporary, targeted organizational construct that is effective in managing major, fast-moving crises. A nerve center can help senior leaders coordinate across existing departments and/or cross-functional teams to address major areas of need, while also creating the space for thinking strategically about long-term recovery.

Nerve centers help senior government leaders respond to major, fast-moving crises

Nerve centers provide senior leaders with a centralized, integrated body to meet critical mission needs

Nerve centers may be appropriate in the following situations

Executives face a significant disruption or crisis

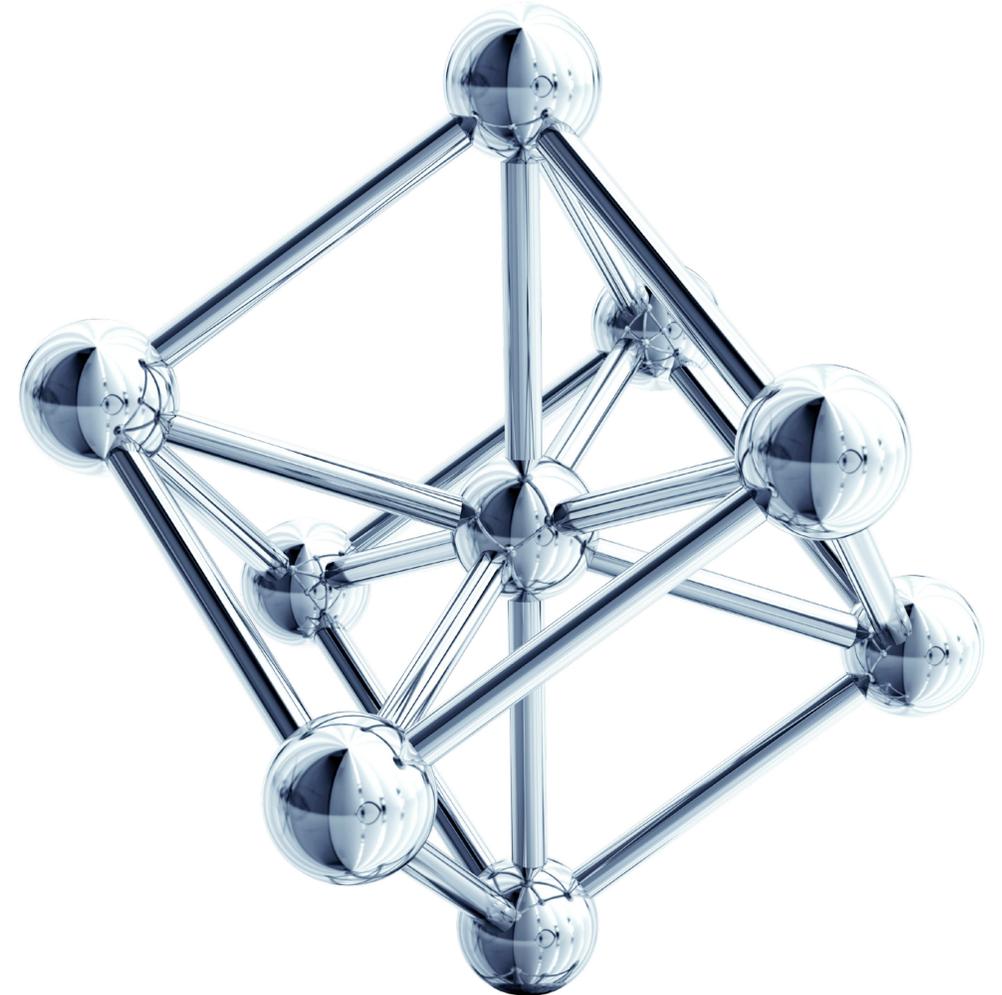
The situation is unfamiliar and high novelty. A situation the organization has not faced before or a threat of an unfamiliar nature or scale. This is an important distinguishing factor between a true crisis/disruption and “routine” emergencies

The disruption is high velocity. The organization does not have enough time to truly understand and interpret the threat using means that it has employed in the past (eg, an extensive strategic study of the situation)

COVID-19 fits these criteria

A crisis nerve center may help public-sector organizations quickly assess the situation, consider and choose plans of action, and execute those plans.

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Nerve centers can provide benefits in a fast-moving crisis



Coordination

Need

Share developments between various state and local entities responding to the crisis

Role

Provide a central hub to coordinate between different efforts to increase response efficacy



Capability alignment

Ensure that organizations with robust capabilities and strong leadership are fully utilized

Coordinate and adjust activities around capabilities, not just formal responsibilities and roles



Objectivity

Collect and analyze information from a range of public and private organizations

Provide a centralized data collection and analysis capability for descriptive analytics and more advanced projections



Long-term perspective

Ensure that planning activities for the weeks and months after the crisis are conducted even in the midst of the outbreak

Provide a “30,000 foot” perspective by developing and integrating cross-functional teams to balance short- and long-term priorities throughout the crisis



Flexibility

Allow organizations to adapt their structures and operating models to the nature of the crisis

Integrate diverse, changing workstreams to guide decisions across teams as the crisis evolves

Nerve centers can help senior leaders rapidly coordinate activities across fast-moving teams

Example team structure below

Teams are built to reflect real-world needs, rather than existing organizational entities

	Response lead									
	Full-time project team ¹									
Teams	1	2	3	4	5	6	7	8	9	10
	Medical response	State Operations	Economic response	Vulnerable populations	Budget	Transit and transport	Education	Communication & coordination	Public safety	Re-opening and recovery
Purpose	Ensuring medical supply availability, testing procedures, bed capacity, and workforce protection	Protecting employees, addressing needs of the public workforce, meeting surging demands for gov't services	Addressing the economic needs of people and businesses by planning government interventions	Addressing the needs of the most vulnerable populations (eg, the homeless, prisoners, people living below poverty line)	Planning and projecting fiscal changes in revenue, expenses, and external assistance	Ensuring air/sea ports, logistics transportation, and public transit are secure and operational	Assessing the needs of schools & higher-education institution and establishing remote-learning procedures	Enabling daily communications to various stakeholders (eg, citizens, employees, inter-agency)	Ensuring the safety and well-being of the public	Planning and preparing for re-opening the economy safely and recovery
Example Leader(s)	Health Commissioner/ Secretary of Health and Human Services	Labor Commissioner/ Secretary of Labor and Workforce Development	Director or Secretary of Economic Development	Commissioner/ Secretary of Health and Human Services	Director of Finance/ Comptroller	Transportation Commissioner/ Secretary of Transportation	Education Commissioner/ Secretary of Education	Chief of Staff/ Director of State Emergency Management Agency	Public Safety Commissioner/ Secretary	State Chief Operating Officer or new "COVID Recovery Chief"

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1. Typically, full-time teams include data analysts, legal, communications, finance/budget, supply chain/procurement

Note: Content draws upon best practices from other scenarios, ideas for set-up rather than advice and counsel

Conclusion

Amidst the chaos and incoming advice, it's hard to know exactly what leaders should do today.

We hope this document provides leaders with actionable information to consider as they respond to the unique health and economic challenges posed by COVID-19. In particular, we would like to point out examples of steps that governments have already taken to protect their people and economies and emphasize that state and local government leaders can initiate immediate actions to save lives while also protecting livelihoods.

The next normal will likely look unlike anything we've seen before the coronavirus.

The pandemic that changed everything. We aim to provide leaders with an integrated perspective on the unfolding crisis and insight into the coming weeks and months. On the following page, we've provided a number of additional resources you can access for guidance and information.

Additional resources

For all formal guidance, you can find up-to-date information at CDC's COVID-19 website, with a section specific to healthcare professionals or healthcare organizations: <https://www.cdc.gov/coronavirus/2019-ncov/healthcare-facilities/index.html>. You can also visit the WHO, CDC, and FEMA's COVID-19 portal at <https://www.coronavirus.gov/>.

We have developed a broader perspective on implications for businesses across sectors that can be found here: <https://www.mckinsey.com/business-functions/risk/our-insights/COVID-19-implications-for-business>. This supplemental material discusses implications for the wider economy, businesses, and employment. It describes some of those challenges and how organizations can respond to protect their people and navigate an uncertain situation.

Our public-sector specific insights can be found here: <https://www.mckinsey.com/industries/public-sector/our-insights>. This material is targeted towards public sector leaders in the COVID-19 crisis.

There are a number of academic institutions publishing credible, up-to-date information on the spread of COVID-19, such as <https://coronavirus.jhu.edu/map.html>.

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