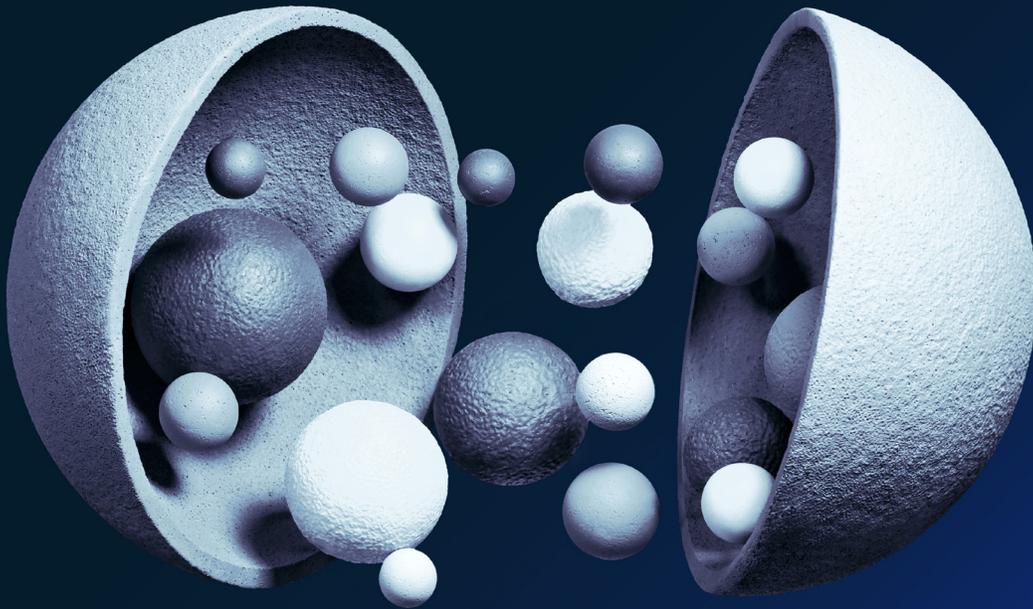


Risk Practice

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

As many countries struggle to control the pandemic, McKinsey remains tightly focused on the global healthcare response to it.



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.

This week, we reviewed the potential for South Africa's small businesses to survive during the pandemic and to thrive after it, considered the case for more M&A as corporate India seeks to recover from the crisis, looked at the ways shared mobility might come back after it ends, offered recommendations on pricing for property and casualty insurers, and pondered the future of packaging design (including an interview with the CEO of Sealed Air).

But we focused mainly on healthcare systems. Testing is critical for containing COVID-19, yet many countries still struggle with shortages of the necessary materials. Our new article looks at five parts of the testing process and examines the bottlenecks in each. Some US laboratories, for example, have reported unused capacity to conduct tests, even as patients and healthcare workers

report difficulty securing them. Similar mismatches have arisen in the United Kingdom, and they are also showing up in supplies of reagents, test kits, and other consumables. To fix the problems, countries will have to make capacity more visible by establishing information nerve centers.

Another focus of research is airborne transmission of the coronavirus. World Health Organization guidelines now state that it may be possible indoors, especially for people who spend significant amounts of time in crowded, poorly ventilated rooms. Our new article not only offers a primer on air purification, air filtration, and airflow management but also examines the steps that building managers, safety experts, and others might take to optimize airflows and ventilation indoors and to limit the spread of the virus.

This week also saw news about a successful vaccine trial. Thanks to that, the world may be able to look ahead to the pandemic's end. But as a McKinsey team writes, this is not the last pandemic. To correct deficiencies in the surveillance of and response to infectious diseases, governments will have to make substantial investments—but they will be well worth the money (exhibit). Our research outlines the shifts needed in healthcare systems.

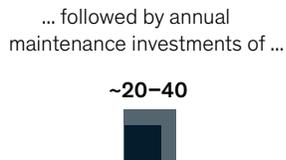
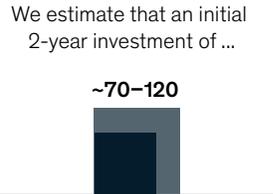
To correct deficiencies in the surveillance of and response to infectious diseases, governments will have to make substantial investments—but they will be well worth the money.

Exhibit

Assuming a COVID-19-scale epidemic is a 50-year event, the return on preparedness investment is clear, even if it only partly mitigates the damage.

Estimated costs, \$ billion

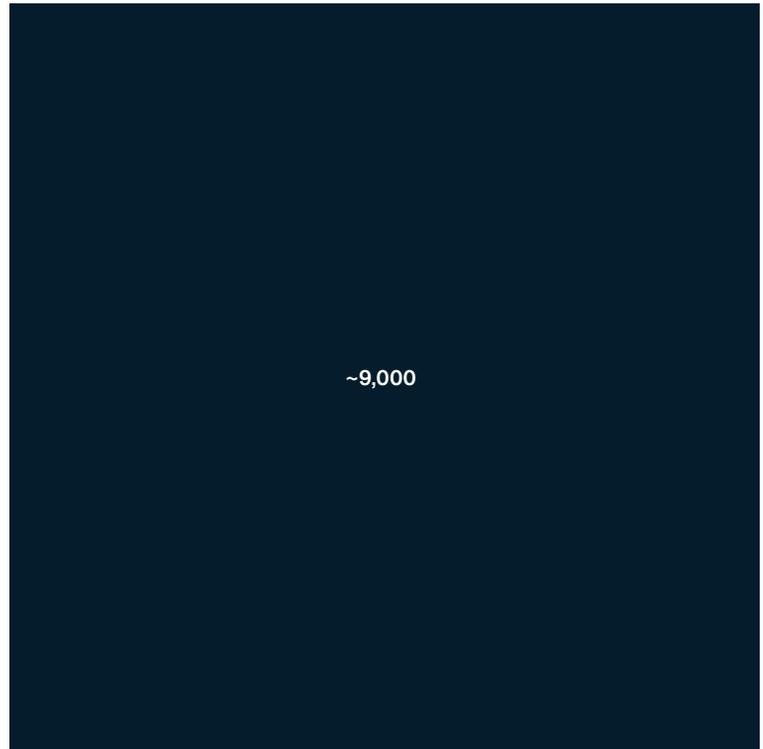
Epidemic preparedness



... over 10 years could dramatically reduce the risks of future outbreaks



Minimum economic loss from COVID-19 pandemic



Ara Darzi, director of the United Kingdom's Institute of Global Health Innovation, has similar aspirations: he is simultaneously focusing on new ideas that can help tame COVID-19 and on the longer term beyond it. In an interview with McKinsey's Rodney Zempel, Lord Darzi explains how healthcare can transition from a "sickness service" to a "health and well-being service." One critical step is to recognize that "we have many pandemics—only we don't call them pandemics. We have the pandemics of obesity, cardiovascular disease, and diabetes." McKinsey

Global Institute covered the substantial upside of addressing these chronic conditions in a new report published last week.

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.