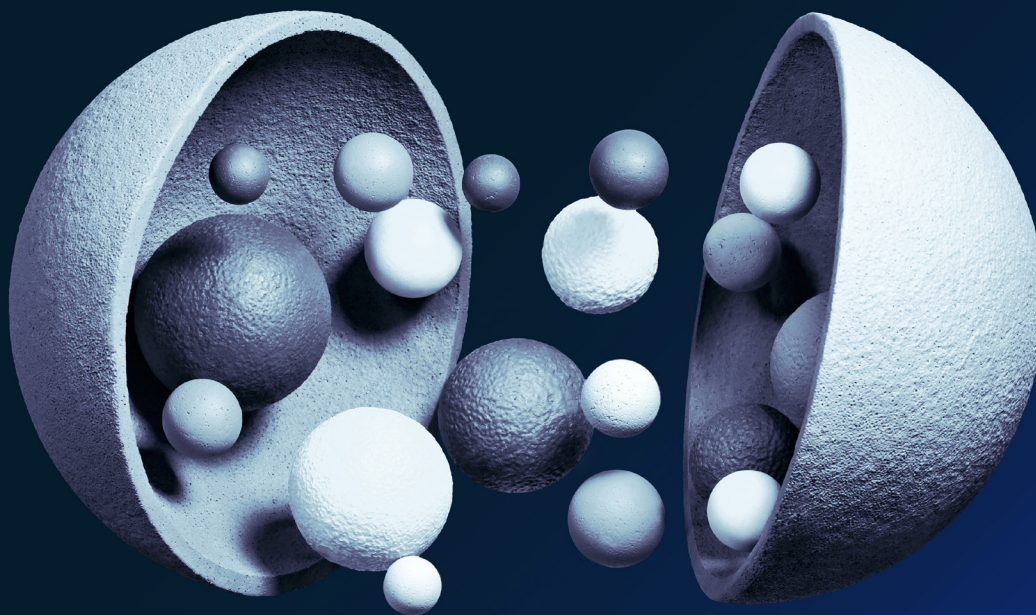


Risk Practice

COVID-19 and the great reset: Briefing note #18, August 13, 2020

As consumer needs change with the ups and downs of the pandemic, and companies look for signs of recovery, McKinsey continues to explore ways to approach the next normal from leadership and operational perspectives.



The abrupt halt of global travel during the COVID-19 crisis, aside from delaying personal trips and vacations, has had a major impact on businesses across sectors. Companies with workforces used to frequent travel—along with the airlines and hotels that depend on revenue from that travel—have been particularly affected. As companies continue to enforce travel restrictions and workers resort to virtual meetings, travel-industry players are looking to rebound from the crisis, but it may be a years-long road to recovery. Our latest research shows that, historically, business travel rebounds from crises at a slower pace than leisure travel (exhibit). As outbreaks in some regions stabilize and travel resumes, travel providers can work to accommodate changing needs and, in turn, boost customer confidence.

Our research this week explores how business operations may change as the travel industry and other sectors reimagine the next normal in a world of physical distancing and evolving consumer behaviors. For operationally intensive sectors, our analysis suggests that the COVID-19 crisis has accelerated automation and digitization. Upskilling and reskilling the workforce will become even more of a priority. For consumer-goods leaders, reshaping the sales function and fostering collaboration between retailers and manufacturers will be critical.

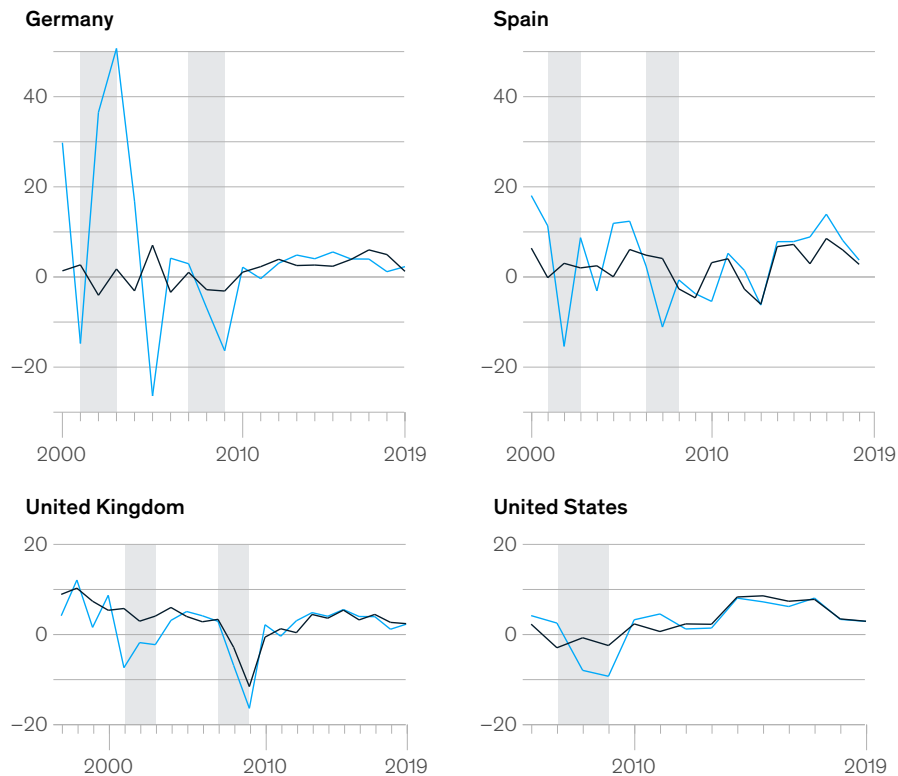
More broadly, our conversations with executives this week demonstrate that successfully weathering the pandemic will also require a people-centered approach to internal and remote

Exhibit

After a recession, business travel is more volatile and slower to recover than leisure travel is.

Year-on-year growth in international outbound travel, %

— Business
— Leisure
■ Economic downturn



Source: National statistical offices; UN World Tourism Organization

leadership. Our interview with Steve Collis, CEO of AmerisourceBergen, considers how a daily executive meeting can be used not only for decision making but also as an opportunity to extend empathy to colleagues. Mike Henry, CEO of BHP, similarly tells us that prioritizing people and building strong relationships has boosted the company's resilience. He says, "Against the backdrop of COVID-19, there's a premium on getting out, demonstrating empathy, and engaging with people to understand what their concerns are."

This week we also analyzed how companies can mitigate risks in industrial supply chains and utilize their procurement functions and spend analytics to bolster resilience; explored ways behavioral-health leaders can build on the current momentum for change in the industry; and looked at how Australia can gauge the scope of the pandemic's effects on different industries and workforces and address cautious consumers.

Also this week: we've added a special collection, *The next normal: The recovery will be digital*. This 172-page volume is the first of five edited collections produced to accompany "Our New Future," a multimedia series we created with CNBC. You can download it on [McKinsey.com](https://www.mckinsey.com).

We've now reached August, the time of year when many people take a break, or at least slow down—even in a pandemic. With that in mind, McKinsey broadened its annual summer reading list and asked 60 diverse leaders to share books that have inspired them, that have provided a much-needed respite, or that they look forward to reading. We hope you draw some inspiration from this list and find ways to restore yourself during these unusual times.

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.

We continue 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.

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