



BEYOND THE CURVE

HOW TO RESTART IN THE WAKE OF COVID-19

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IT'S A PREVIOUSLY UNIMAGINABLE hit. The COVID-19 pandemic has led to a near total shutdown of social and economic activity in all corners of the world. In just three months, global growth forecasts have been slashed—the IMF now projects that the global economy will contract by 3% in 2020, a bigger downturn than in the 2008–2009 financial crisis. Restarting economies and life will be the defining government challenge of our time. Governments must find an appropriate middle ground between a long, broad lockdown that damages the economy and a reopening that is too soon and too fast, risking public health and potentially subsequent lockdowns. But this is uncharted territory. With no modern precedent to inform them, governments must create the maps that will guide their actions over the next critical months.

The route, however, cannot be set in stone. The recovery is likely to be volatile and uneven. As a result, governments must develop a resilient and adaptive strategy for reopening, allowing for adjustments as events unfold and new information emerges.

Such a strategy will have three core components. The first is identifying the right factors, such as health care and public readiness, for determining *when* to begin reopening businesses and other institutions. The second is spelling out *how* to reopen, on the basis of a consistent national framework with effective local implementation. The third is managing the uncertainty surrounding the reopening of social and economic life by creating transparency to build public trust and ensuring the strategy can be adjusted to reflect new information and conditions.

Three Models for Reopening

There are three basic models for restarting social and economic life: the full reboot approach now being pursued by New Zealand; an approach focused on maintaining restrictions for vulnerable populations; and the graduated approach being taken by countries such as China.

Under the full reboot model, the government waits until new COVID-19 cases are at zero and then restarts social and eco-

conomic activity with minimal restrictive measures but with limited (or no) international travel. This strategy requires a set of conditions that may not be feasible for most countries, including tight border controls, high volumes of testing and contact tracing, and the ability to enforce an initial lengthy lockdown period.

The second approach allows for the widespread restarting of social and economic activity but continued strict isolation for vulnerable populations such as the elderly. Such an approach may not be feasible in many countries, given the large numbers of people who would need to remain in isolation until a vaccine or cure is available. However, it may be the right strategy for restarting activity in the near term for low-income countries that are unable to rapidly build up health care and testing capacity without international assistance.

The third approach is likely to be the most widely adopted. Under this graduated model, governments lift restrictions in a deliberate, phased, and incremental manner based on the progression of the disease, the readiness of the public health system, and the preparedness of the public. This approach is in varying stages of introduction around the world, with countries in Asia and Europe leading the way.

China was one of the first to adopt this strategy, and other countries can look to its experience as they navigate a similar path. The Chinese government developed a national framework to guide its restart but is providing wide discretion for implementation decisions at the local level. With the exception of the most essential operations, such as medicine, energy supply, logistics, and food, activities were phased in on the basis of their transmission risk. In late February, businesses considered low-to-medium transmission risk, such as manufacturing, construction, and retail, were permitted to restart. By the end of March, 99% of large businesses had restarted. In early April, businesses with high transmission risk, including restaurants, hotels, and education institutions, were allowed to reopen. Certainly, it is still early days, and China

could see a rebound in COVID-19 cases that would complicate the economic restart. But as of mid-April there had not been a significant resurgence of local transmission of COVID-19, and a [recent BCG survey](#) shows that 60% of Chinese consumers now believe the worst is behind them.

However, while China's business reopening has proceeded relatively smoothly, there are signs that the overall economic recovery will not be swift. Eight weeks after the peak of COVID-19 infections, department store sales and service industry sales in China are still at 50% and 35%, respectively, of pre-pandemic levels. At the same time, consumer sentiment is shifting. While the BCG survey found that Chinese consumers [expect to increase spending in the next six months](#), they indicate that increased spending will be in categories such as preventative health care, fresh and organic foods, and household care, with reduced spending on travel and eating out. The bottom line: some sectors may not return to pre-COVID-19 levels of demand for an extended period.

Implementing a Graduated Restart Strategy

Governments looking to implement a graduated restart strategy need to outline when business and social enterprises can reopen, how those reopenings should be managed to protect public health, and how the uncertainty surrounding the entire process should be addressed.

Identify the Right Time to Reopen. National governments should define preconditions that are required for business and society to start operating again. We recommend focusing on two categories to determine the overall readiness of a region, state, or city to restart activity.

The first category is health care readiness, which is captured through several dimensions:

- **Disease Conditions.** The area should have experienced a decrease in new

cases and have a relatively low degree of disease impact as reflected in factors such as hospitalization and death rates.

- **Health Care Capacity.** The area must have adequate ICU, hospital, ventilator, health care PPE, and health care staff capacity, in line with its demographics, including the size of the vulnerable population.
- **Virus Monitoring System.** The area must have sufficient testing capacity, reasonable testing turnaround times, the ability to screen large numbers of asymptomatic individuals, and the presence of robust contact tracing with the ability to rapidly inform and quarantine affected individuals.

The second category is public readiness, which is reflected in a couple of dimensions:

- **Business and Organization Preparedness.** Businesses and organizations requiring physical interaction among people must understand and have adopted requirements for distancing and have protective supplies available, such as hand-washing facilities and

disinfectants. Supply chains must be in place to meet demand for protective equipment in ways that do not divert protective supplies from essential workers in areas still trying to flatten the curve.

- **Public Response.** Information and communication strategies must be in place, and public behaviors such as compliance with distancing measures must demonstrate a widespread willingness to operate under the “new normal.”

For each dimension, specific metrics should be identified and tracked to assess the level of readiness. (See Exhibit 1.)

Using those metrics, national governments can create a rating system on a scale of 1 to 5 that reflects a location’s overall readiness. State or local officials would use that system to determine where their area falls on that scale and make decisions accordingly on what activities to restart. (See Exhibit 2.)

Giving some regions the green light to reopen, on the basis of relatively strong health and public readiness, is an opportunity to lift restrictive measures in a way that best balances health risks and socio-

EXHIBIT 1 | Examples of Metrics to Measure Readiness

	Dimensions	Example metrics
Health care readiness	Disease conditions	<ul style="list-style-type: none"> • Sustained reduction in number of new cases for at least 14 days • Decreased degree of disease impact (hospitalization rate, death rate, high-risk-population infection rate)
	Health care capacity	<ul style="list-style-type: none"> • Number of critical-care and acute-care hospital beds/adult population • Number of respirators/adult population • PPE and ventilator supply above projected demand over next 30 days • Number of hospitalizations at or below a targeted % of capacity for 7 consecutive days • Number of patients needing an ICU at or below targeted % of capacity for 7 consecutive days • Health care staff capacity
	Virus monitoring	<ul style="list-style-type: none"> • Same-day, point-of-care diagnostic testing widely available • All symptomatic patients can be tested and receive results within a set time • Measures in place to screen large numbers of asymptomatic individuals and identify immunity (including widespread serology testing, temperature checking) • Percentage of 1° and 2° contacts contacted and assessed within a set time • National sentinel surveillance system ready
Public readiness	Business preparation	<ul style="list-style-type: none"> • Availability of protective equipment, including masks, for population • Availability of disinfectants and cleaning capacity • Adoption of distancing guidelines, including signage and floor markings
	Public response	<ul style="list-style-type: none"> • Comprehensive information and training on hygiene measures available • High compliance with distancing restrictions and public health guidance • Clear communication mechanisms in place

Sources: American Enterprise Institute, *National Coronavirus Response: A Road Map to Reopening*; BCG analysis.

economic concerns. And when a region sees a recurrence of the disease, this graduated approach makes it easier to drive swift but hard decisions to reimpose measures at a local rather than national level. If coordinated well, a staggered approach by region also presents an invaluable opportunity for regions to learn from the experience of “early restarters” and adjust accordingly.

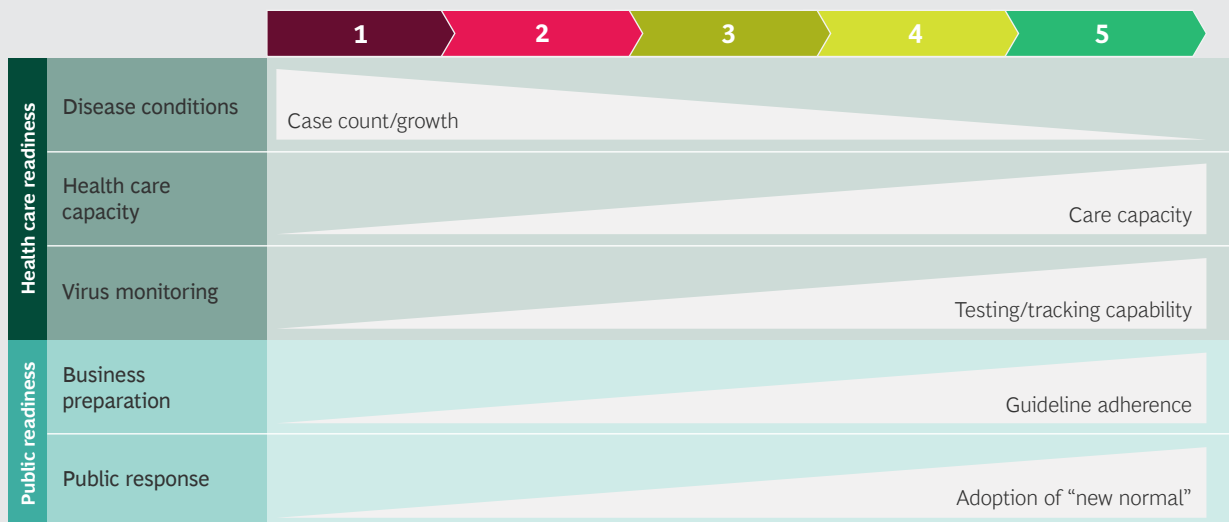
For most countries, getting to an appropriate level of readiness in the virus monitoring system will be the greatest challenge. More testing provides better information about individual and local risk levels—and that enables better targeting of restriction measures. With limited testing, widespread lockdowns are necessary. But high levels of testing make it easier to detect disease, which in turn makes it more feasible to use contact tracing rather than other more restrictive measures to mitigate the spread of disease.

As governments push to increase testing capacity, it will be vital to understand what level of disease detection is possible with a specific testing level and approach, such as the extent of testing of asymptomatic individuals. As an example, BCG modeling of the German population suggests that a testing rate of six or seven tests per 1,000

people per day would yield an 80% probability of detecting a chain of infection within 12 to 18 days of the initial infection and a 99% probability of detecting the chain within 18 to 30 days.

Governments that are able to ramp up testing aggressively must also invest in robust tracking and tracing capabilities. Governments will need a large workforce to manually reconstruct infection chains and to ensure that authorities preventatively quarantine and test affected individuals. Many governments are already mobilizing furloughed workers, and even military reservists, to quickly ramp up these operations. This process should be supported by digital solutions, now widely available. Singapore’s TraceTogether app, an opt-in service for citizens, uses Bluetooth to map the people an individual has been in contact with, and for how long, and notifies users if they have been exposed to someone testing positive for COVID-19. The app’s software is open source, free to replicate and modify. In China, the digital Health Code app—with more than 800 million users—traces contacts and provides an individualized health certificate based on real-time information. A “green code” allows an individual to access common spaces, like office buildings and retail locations.

EXHIBIT 2 | The Level of Activity in a Country Should Be Based on Health Care and Public Readiness



Source: BCG.

Establish a Framework for How to Reopen.

For each of the five readiness levels, national governments should then provide practical guidance for activity, including restrictions and expectations of behavior. These guidelines would articulate, for example, the people-related restrictions (such as movement, distancing, gathering sizes, and protective wear), place-related restrictions (such as temperature checks at entry points, maximum capacity, and hygiene and cleaning standards), and minimum testing, tracing, and tracking standards.

The guidelines should be applied and implemented wherever possible by local governments. Localization is important because it recognizes that within a country different regions and cities will face different contexts requiring different approaches to meet the national guidelines. For example, reopening a retailer in a densely populated urban area is a different challenge requiring different precautions than reopening a store in a small rural town.

At the same time, industry leaders, with specialized knowledge, can leverage the guidelines to create playbooks for how companies in their business should operate in areas that are at different readiness levels. This approach ensures that major employers, trade associations, unions, and other key players are actively engaged in and supportive of the reopening process.

As areas move out of the “red” readiness level and prepare to reopen, a key question is whether specific types of businesses or activities should open first. One approach is a hands-off model, whereby government permits any activity that is consistent with the guidelines. While this avoids prioritizing one sector or industry over another, this approach leaves governments with fewer levers to reverse course if an outbreak materializes. The alternative is to establish a sequence in which sectors or industries that offer greater socioeconomic benefits open first. Such an approach ensures a more gradual resumption of activity while prioritizing activities that may deliver the most societal impact. For example,

in Austria, small standalone retail shops and craft services will form the first wave of reopening (with maximum one customer per 20 square meters and mandatory face masks). The government is opening those businesses first owing to its commitment to support hard-hit small-business owners and because small retailers are generally patronized by local residents, lowering the risk of transmission from one neighborhood to another.

Under either approach, governments may need to think separately about how to reopen schools and day care centers. In some countries, those institutions are an essential enabler for the rest of the economy, allowing significant numbers of parents to return to work. Both Denmark and Germany have announced they will open schools in the first wave of reopening.

Execute with Transparency and Ensure the Ability to Adjust the Strategy.

Once the strategy is set, governments need to execute in a way that builds public trust and allows for adjustments as conditions change.

Public trust and economic confidence are important for maintaining social cohesion and restoring economic growth. Trust in the approach is also important because citizens, businesses, and organizations themselves must play an active role in making the strategy succeed by adapting to the “new normal” behaviors.

Ultimately, overly aggressive enforcement measures may undermine public support. That’s why governments should identify and support tools that encourage voluntary positive behavior. This includes, for example, supporting employers with appropriate signage to encourage distancing and hand washing, guiding retailers on placing distancing markers in their stores, and using public information campaigns to explain how each individual has an important role to play.

Governments should also be as transparent as possible in terms of both the strategy itself and the data used to drive decision-making and compliance activities. Many

governments have adopted live dashboards to provide data and updates on the health crisis with the public. These dashboards can also share information relevant to reopening, such as the readiness status of a given area and what needs to happen for the status to change.

Governments should also ensure they are able to adjust their strategy as conditions change, including by adopting scenario planning. The public should not expect governments to predict exactly how this pandemic will play out, but people can expect a plan to resume a new normal that anticipates likely scenarios, and the willingness to listen, learn, and adapt.

At the same time, governments should develop rapid feedback loops to capture information and insights on how their strategy is working—or not working. This includes engaging with employers, unions, industry associations, and civil society organizations to get their input on how guidelines and standards are working in reality. Governments should also find ways to capture and acknowledge feedback directly from citizens. A starting point is to provide a digital platform to interact with citizens. In the UK, for example, local authorities are conducting public meetings using digital platforms, and

the NHS has launched an online crowdsourcing exercise to explore ways to mitigate the effects of self-isolation. Enlisting citizens in this effort, so that they recognize real health and welfare benefits from being engaged in the restart, is an imperative.

GOVERNMENTS AROUND THE world have weathered economic shocks before—most recently the financial crisis and recession of the late 2000s. But the fallout from the COVID-19 pandemic is different. There is no modern analog for the shutdown of economic activity in most of the world.

Governments will need to develop a novel strategy for reopening their societies and economies. The strategy must include clear national guidelines on when to reopen based on health care and public readiness. It should also provide national guidance on how to open, with execution driven by state, regional, and local leaders. The strategy must also be transparent in order to build public trust and include mechanisms for collecting feedback and adjusting as conditions change. Governments that develop and implement such strategies will be able to successfully navigate amid chaos and chart a clear path toward the new normal.

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