

# 2020 “Virtual” MMC Manufacturing & Automotive Summit

September 23 | 1 pm – 3 pm EDT

# Agenda

September 23, 2020

Topic	Presenter	
<b>Welcome and Overview</b>	David Carlson, Marsh Manufacturing & Automotive Industry Leader	1:00 – 1:05 PM
Post COVID Megatrends & Opportunities	Joern Buss, Partner, Oliver Wyman	1:05 – 1:30 PM
Cyber & The Digitization of Manufacturing	Reid Sawyer, Marsh Cyber Risk Consulting Leader	1:30 – 1:50 PM
The Evolving World of Mobility	James Rose, SVP, Marsh Sharing & Mobility Practice and John Moore, Engagement Manager, Transportation & Services, Oliver Wyman	1:50 – 2:10 PM
<b>BREAK</b>		<b>2:10 – 2:15 PM</b>
A Peek At The Workforce of the Future	Andre Rooks, Senior Principal, Mercer	2:15 – 2:35 PM
Addressing Social Responsibility including Diversity & Inclusion	John Legg, Career Office Business Leader, Mercer	2:35 – 2:50 PM
<b>Q&amp;A and Closing Remarks</b>	David Carlson, Marsh Manufacturing & Automotive Industry Leader	<b>2:50 – 3:00 PM</b>

# Today's Speakers



**David Carlson**

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**John Legg**

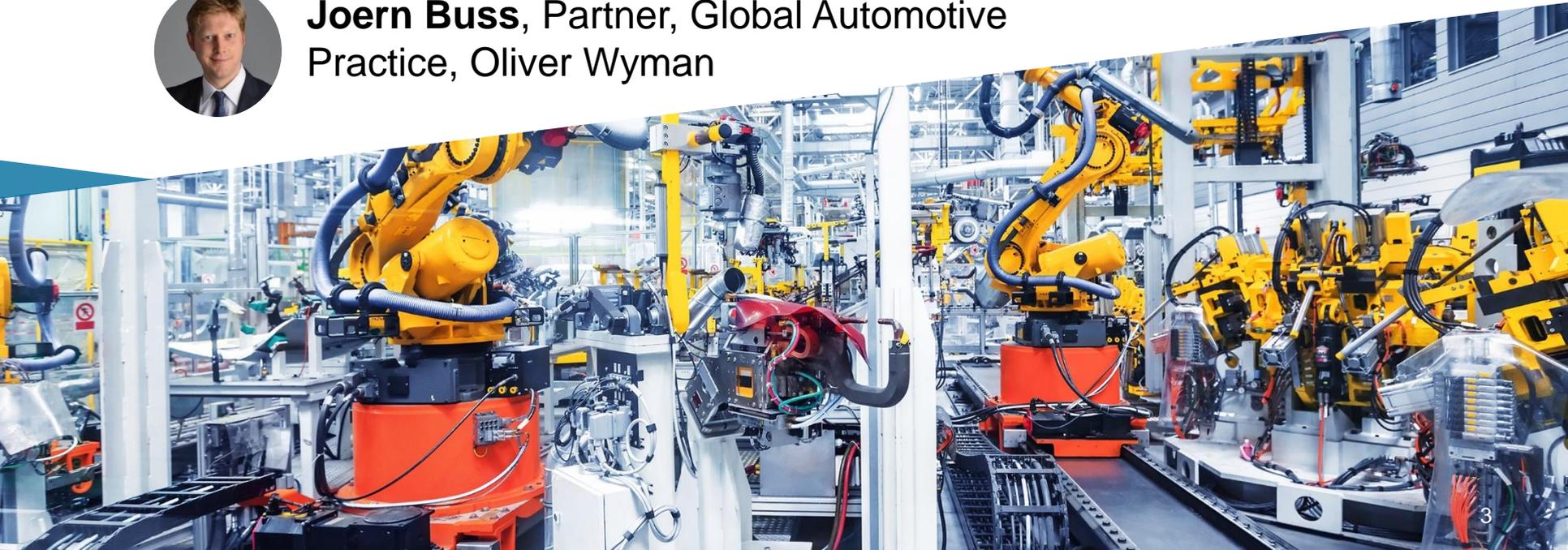
Career Office Business Leader, Mercer

[John.Legg@mercer.com](mailto:John.Legg@mercer.com)

# Post COVID Megatrends & Opportunities



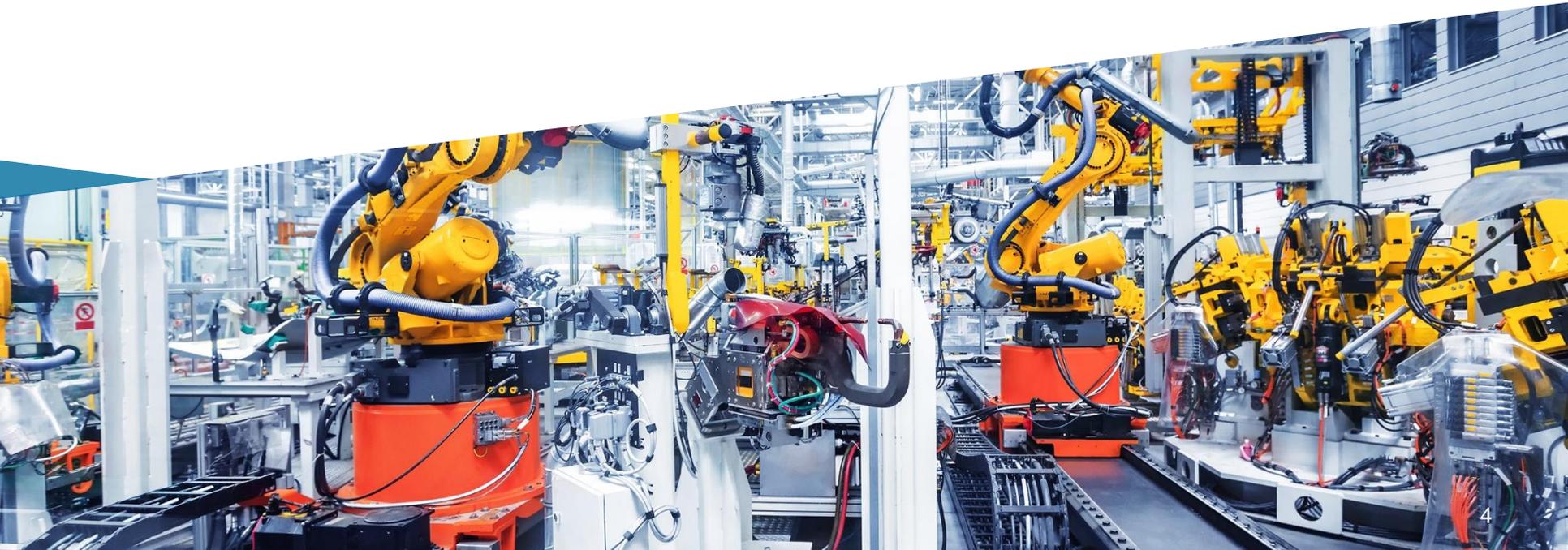
**Joern Buss**, Partner, Global Automotive Practice, Oliver Wyman



# Interactive Polling

*“In 10 years my companies business model will be”:  
(please, select one)*

- A. Same/similar as today
- B. Diversified/Rebalanced
- C. Fundamentally different





# 1 Megatrends impacting the future post COVID-19

# Post-COVID strategic questions

Beyond short to mid term, this document focuses on long-term consequences for the global economy

Should we expect a **change in the balance of power** between nations?

Will the crisis **accelerate the ecological transition**?

Will we move **from multilateralism to regionalism**?

Are we moving towards a **deglobalization of trade**?

Which **technologies** will see their deployment **accelerated by the crisis**?

Will **consumer behaviors** be lastingly impacted by the crisis?

## Associated questions for businesses:

- What are the **new growth opportunities**?
- What are the **new ways of working** (remote working, employment & upskilling, reshuffled ecosystems...)?

# Megatrends and their uncertainties

Megatrends are global and sustained forces that will very certainly impact the economy and society (ex: digitalization, aging societies, etc.), Covid-19 is a very good example of wildcard that can impact Megatrends

## Megatrends Characteristics

- 1 Megatrends are **connected and intertwined**: scenarios for the future can be built as the result of the combination of several megatrends effects
- 2 Megatrends offer real **business opportunities**, however usually seized by pure-players first
- 3 Megatrends have a **limited impact at the beginning**, before they widespread and break existing business models
- 4 Because of their long build-up, **large companies often underestimate** their power or assume they have already integrated them into their plans

## Uncertainties impacting megatrends

### Individual Behaviors

*Human responses & adaptation to megatrends*

### Social Movements

*Organized resistances or reactions to identified trends*

### Black Swans<sup>1</sup> & Wildcards<sup>2</sup>

*Uncertain events with big impacts*

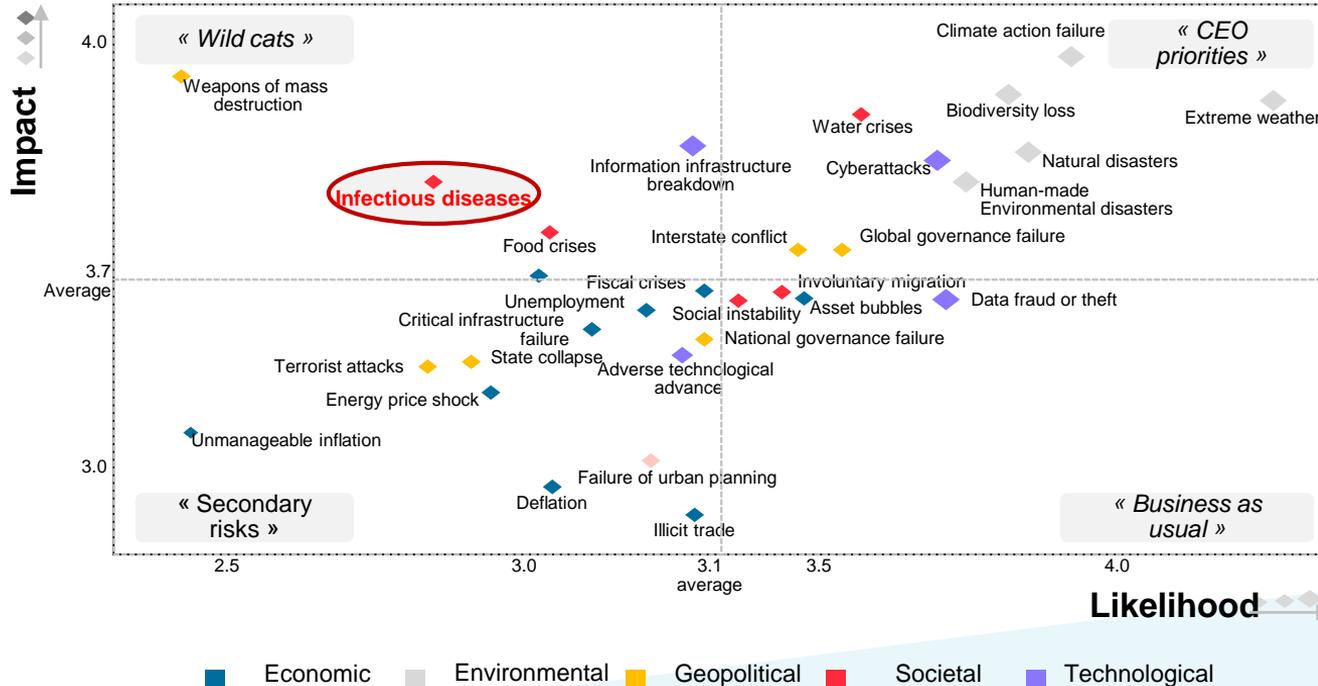
1. Black Swans = Unpredictable (despite post-rationalization efforts) & high impact events
2. Wildcards = Low probability (yet predictable) & high impact events

# Megatrends: Predicting the unpredictable

Because it was considered a low probability, the current crisis has completed disrupted public & private plans

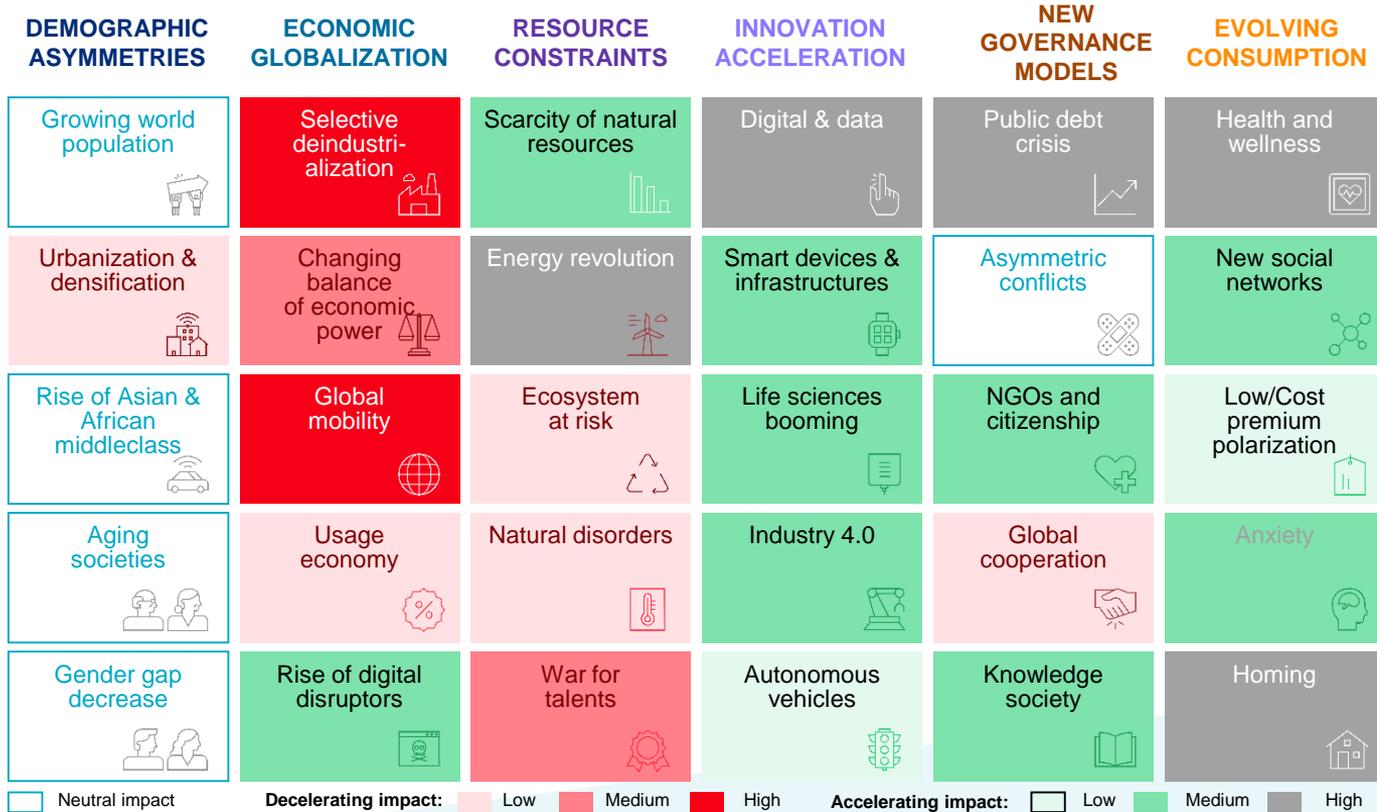
## Global risk mapping (impact vs. likelihood)

The Global Risk Report 2020 – World Economic Forum and Marsh & McLennan Companies



# Megatrends: COVID-19 Impact on Global Megatrends

The Covid-19 crisis will impact some “megatrends” – hence, shaping the world economy and trigger tipping points





# Megatrends: COVID-19 impact on megatrends

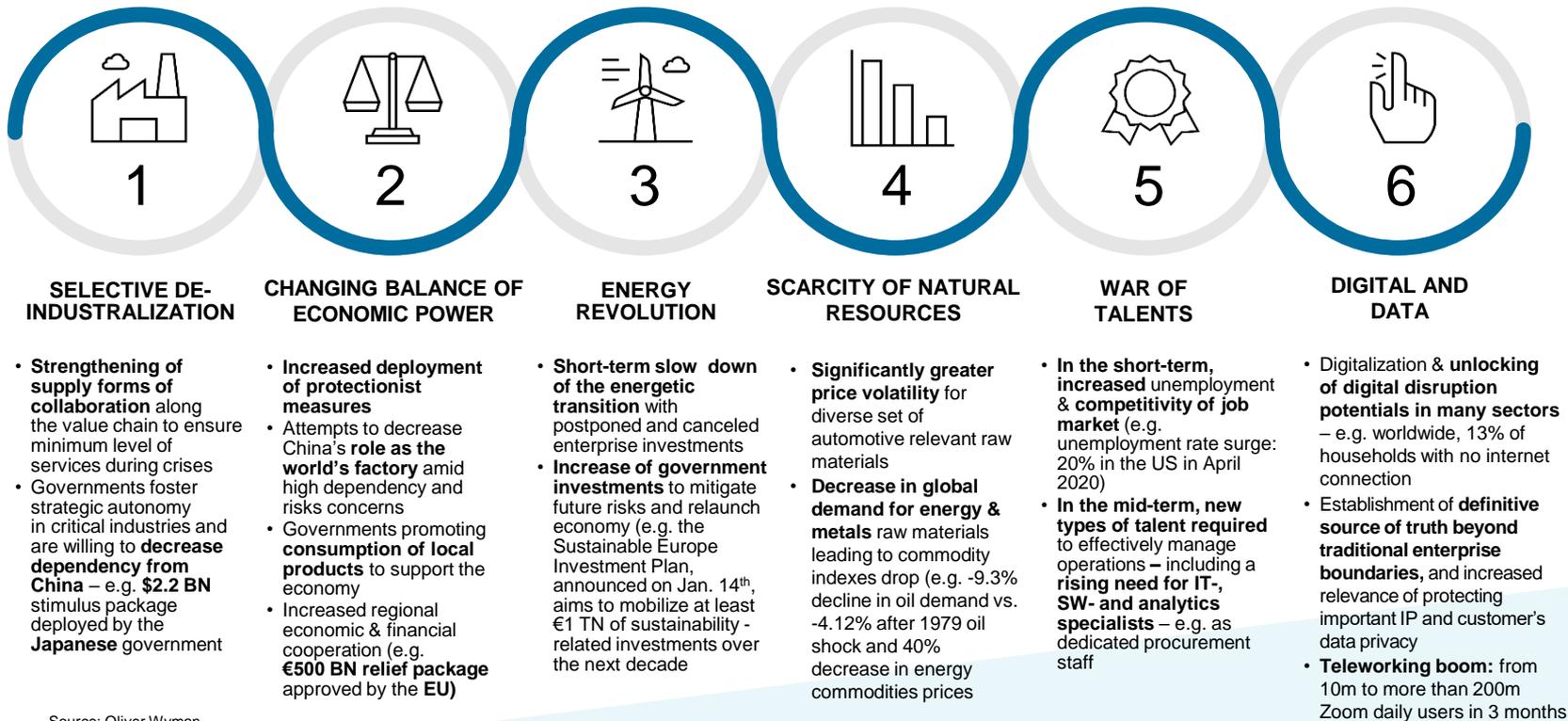
Executive summary of key impacts

<b>DEMOGRAPHIC ASYMMETRIES</b>	<ul style="list-style-type: none"><li>• Increased death rate of elderly people reinforcing need to re-think <b>elderly care system and infrastructure</b></li><li>• Highlighted need to <b>re-design urban planning and management</b> (health &amp; sanitation infrastructure, connectivity, surveillance..) and to de-densify city centers to limit future outbreak propagation</li></ul>
<b>ECONOMIC GLOBALIZATION</b>	<ul style="list-style-type: none"><li>• Global demand drop in international flights leading to <b>industry consolidation or even nationalization</b>; expected consumer retreat towards <b>local mobility and domestic tourism</b> in the short/ mid-term</li><li>• Wake-up call to <b>regain autonomy on key strategic industries</b> (agri-food, pharma and healthcare..) and to strengthen <b>supply chain resilience</b> to ensure minimum level of service during future crises</li><li>• <b>Deployment of protectionist measures</b> to balance China's power and to support local economy</li></ul>
<b>RESOURCE CONSTRAINTS</b>	<ul style="list-style-type: none"><li>• <b>Decrease in global demand for energy and metals raw materials</b> leading to commodity indexes drop</li><li>• <b>Positive impact of lockdown measures on natural ecosystems</b> raising global environmental awareness</li><li>• Expected <b>increase of sustainability-related public investments</b> to mitigate future risks and relaunch the economy</li></ul>
<b>INNOVATION ACCELERATION</b>	<ul style="list-style-type: none"><li>• <b>Unlocking of digital disruption potentials</b> in many sectors: <b>teleworking, telehealth, E-education</b></li><li>• Acceleration of <b>healthcare investments</b> (e.g. fast-track vaccine &amp; testing kit development)</li><li>• Increased need for <b>smart devices &amp; infrastructure</b> in the healthcare and public sector (flows monitoring)</li><li>• Renewed interest for <b>Industry 4.0</b> as a <b>supply chain resilience catalyser</b> and <b>strategic industries relocation enabler</b></li></ul>
<b>NEW GOVERNANCE MODELS</b>	<ul style="list-style-type: none"><li>• Worldwide <b>booming of public debt</b> creating many uncertainties for sector dependent on public aid</li><li>• International /regional <b>financial &amp; sanitary solidarity and cooperation</b> counterbalanced by a <b>nationalist and protectionist outburst</b> (border shutdown, local product consumption..)</li><li>• <b>Escalation of US-China tensions</b> and expected long-term <b>acceleration of preexisting conflicts</b></li></ul>
<b>EVOLVING CONSUMPTION</b>	<ul style="list-style-type: none"><li>• Strengthened health risk-adversity leading to the rise of <b>new health-related habits</b> (masks, hand gels) and a <b>booming of telemedicine</b></li><li>• Accelerated adoption of <b>teleworking, e-learning and e-commerce</b> expected to lastingly transform behaviors</li><li>• <b>Increase of time spent on social media</b> and broader <b>adoption by new customer segments</b> (children, elderly people)</li></ul>

# Deep dive on selected megatrends – automotive & manufacturing

Several of these disruptive developments have strong and immediate impact on automotive & manufacturing supply chains, procurement organizations and other parts of the business

## Selected consequences from disruptive megatrends



Source: Oliver Wyman

# **2** A new world of industries, opportunities value chains

# What about long-term?

Assessing how critically-impacted megatrends will reshape sectors

Long-term transformative impact (negative/positive)

■ Low ■ Medium ■ High  
■ Low ■ Medium ■ High

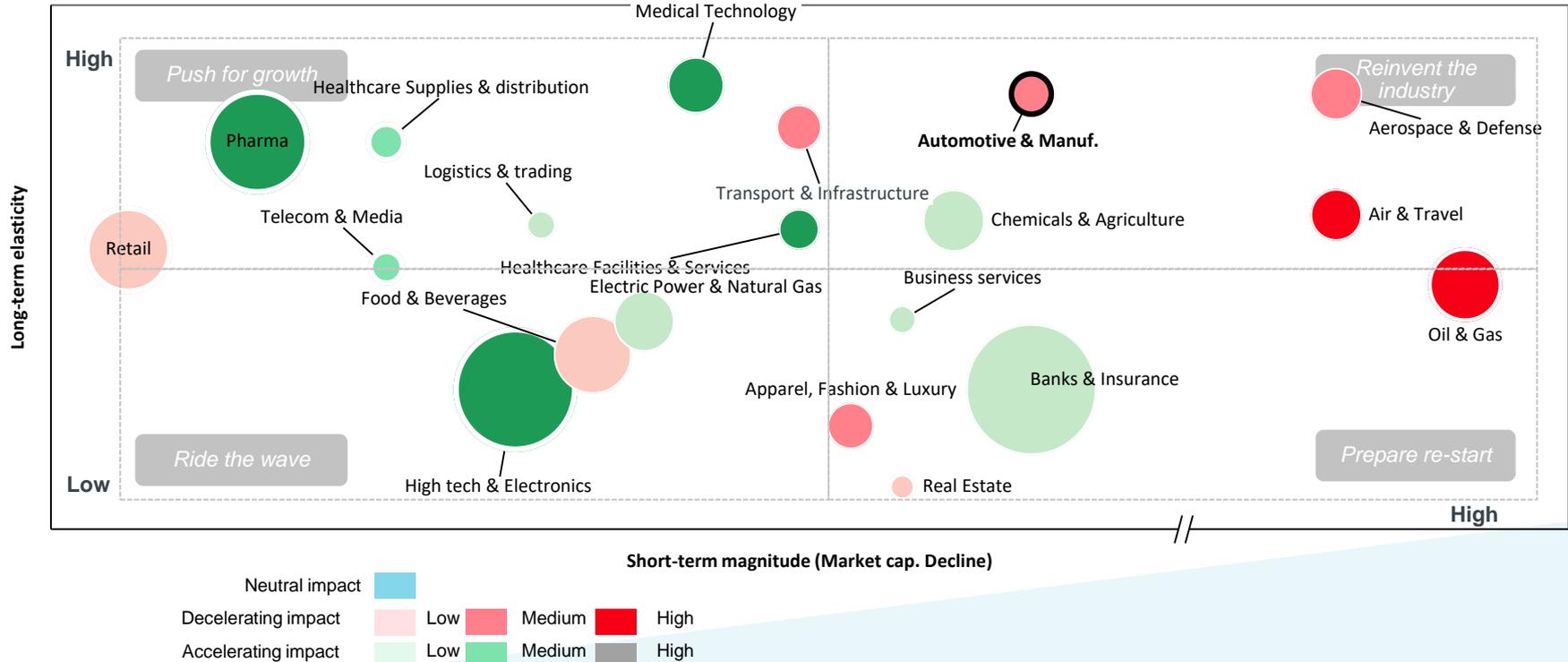
Main industries	Health & Wellness	Global mobility	Homing	Public debt crisis	Selective deindustrialization	Digital & Data	Smart devices & infra.	Life science booming	Industry 4.0	Natural disorders / Energy revolution	Rise of digital disruptors	Impact magnitude <sup>1</sup>	Long-term elasticity	Global Transformative impact
Oil & Gas		High	Low		High				High	High		-47%	19,8	High
Aerospace & Defense		High	High	High	Medium	Low			Low	Medium	Medium	-45%	33,9	Medium
Air & Travel	Medium	High	Low	Medium	Low					Medium		-45%	21,8	High
Banks & Insurance	Low	Medium	Medium	Medium	Medium	Medium				Low		-33%	25,4	Low
<b>Automotive &amp; Manuf.</b>		High	Medium	Medium	Low	Low			Medium	Medium	Low	-33%	33,9	Medium
Chemicals & Agriculture	Medium				Medium	Low	Medium			Medium		-31%	26,7	Low
Real Estate			High			Low					Medium	-30%	11,4	Low
Business services	Low	Medium	Medium			Medium	Low		Medium			-30%	24,9	Low
Apparel, Fashion & Luxury		Medium	High			Low				Medium		-29%	14,9	Medium
Transport & Infrastructure	High	Medium	High	High		Medium	Medium			Medium		-28%	28,4	Medium
Healthcare Facilities & Services	Medium			Medium	High	Medium	Medium				Medium	-28%	26,2	Medium
Medical Technology	Medium		Low	Medium	High	Medium	Medium		Low		Medium	-26%	34,4	Medium
Electric Power & Natural Gas			Low	Medium		Low			Low	Medium		-25%	20,9	Low
Food & Beverages	Medium		Medium		Medium	Medium					Low	-24%	26,9	Low
Logistics & trading		Medium	Low		Medium	Medium			Medium	Medium	Medium	-23%	26,4	Low
Telecom & Media	Low	Medium	Medium	Low		Medium	Medium				Medium	-22%	26,4	Low
High tech & Electronics	Medium		Medium		Medium	Medium	Medium		Medium		Medium	-20%	31,4	Medium
Healthcare Supplies & distribution	Medium			Medium	Medium	Medium	Medium		Medium		Medium	-20%	31,2	Medium
Pharma	Medium			Medium	High	Medium	Low	Medium	Medium		Low	-18%	31,2	Medium
Retail (excl. clothing)	Low		Medium	Medium		Medium					Low	-15%	21,4	Low

# Differentiated strategic agenda per sector

As a result, the automotive & manufacturing industry is clearly one of the industry that is pressured to transform and reinvent itself

## Mapping of sectors by impact's magnitude and elasticity

Size of the bubble is market cap.<sup>1</sup>, in \$ MM



# +100 Strategic opportunities for the post crisis era

Critically affected Trends		Related business opportunities	
Economic Globalization	 <b>Selective deindustrialization</b>	<ul style="list-style-type: none"> <li>Relocation of agri-food, pharma &amp; health care supply chains</li> <li>Public incentives and stimulus packages</li> <li>Consolidation of weakened industries</li> <li>Regional integration</li> <li>Public-private partnerships</li> <li>Automation: Industry 4.0, 3D printing, robotization</li> </ul>	<ul style="list-style-type: none"> <li>Artificial intelligence and IoT</li> <li>Remote industrial monitoring systems</li> <li>Digital distribution &amp; CRM</li> <li>Sourcing, storage and inventory management systems</li> <li>Industrial data exchange platforms</li> <li>Cultural change</li> </ul>
	 <b>Global Mobility</b>	<ul style="list-style-type: none"> <li>Safety &amp; sanitary equipment (masks, gel, thermal cameras...)</li> <li>Passenger health screening &amp; tracking systems</li> <li>Contactless payment &amp; biometric-enabled security technologies</li> <li>Gesture- and eye-movement-based systems enablers</li> <li>Connected fleet and traffic management systems</li> <li>Digitalization of transportation infrastructures</li> <li>Local transportation offers &amp; services</li> </ul>	<ul style="list-style-type: none"> <li>Last-mile delivery/ transportation solutions</li> <li>Electrification</li> <li>Transport automation</li> <li>Public health providers partnerships</li> <li>Sector consolidation amid financial pressure</li> <li>Asset sharing solutions amongst airlines, hospitality and leisure players</li> </ul>
Resources constraints	 <b>Rise of digital disruptors</b>	<ul style="list-style-type: none"> <li>Unlocking of disruption potentials in several industries (telehealth, e-learning...)</li> <li>Increased personal data availability &amp; sharing acceptance</li> </ul>	<ul style="list-style-type: none"> <li>Increased digital adoption &amp; new usages (elderly people, children, homing, telecommunication)</li> </ul>
	 <b>Energy Revolution</b>	<ul style="list-style-type: none"> <li>Electrification</li> <li>Higher-efficiency manufacturing &amp; processing solutions</li> <li>Dynamic energy grid management systems ("smart grids")</li> <li>Circular economy &amp; asset sharing</li> </ul>	<ul style="list-style-type: none"> <li>Alternative materials and manufacturing processes R&amp;D</li> <li>Shortening of supply chains to mitigate physical shocks risks, increase resilience and reduce emissions</li> <li>Energy sector consolidation amid financial pressure</li> </ul>
Innovation acceleration	 <b>Digital &amp; Data</b>	<ul style="list-style-type: none"> <li>E-commerce, social selling &amp; home delivery</li> <li>IoT &amp; homing devices (incl. specific devices for elderly people)</li> <li>User generated content</li> <li>Remote working infrastructure, devices &amp; applications</li> <li>Remote working policies &amp; ways of working design consultancy services</li> <li>Telemedicine systems &amp; applications</li> <li>E-learning applications &amp; services (for education &amp; professional training)</li> </ul>	<ul style="list-style-type: none"> <li>Robotic process automation, machine learning, IoT solutions (to ensure business continuity)</li> <li>Telemonitoring &amp; access control</li> <li>Contactless &amp; seamless urban infrastructure</li> <li>Flow monitoring (population, vehicles) applications</li> <li>E-government applications</li> </ul>
	 <b>Smart devices &amp; infrastructure</b>	<ul style="list-style-type: none"> <li>Healthcare IoT devices</li> <li>Seamless &amp; contactless technologies</li> <li>Flow (people, vehicles) monitoring systems</li> </ul>	<ul style="list-style-type: none"> <li>5G/ fiber infrastructures</li> <li>Teleworking devices</li> <li>Homing IoT devices</li> </ul>
New Gov. Model	 <b>Life science booming</b>	<ul style="list-style-type: none"> <li>New Medical &amp; epidemic R&amp;D opportunities due to increased public investment</li> <li>Agility &amp; rapidity of R&amp;D processes</li> </ul>	<ul style="list-style-type: none"> <li>Scientific knowledge management tools &amp; systems</li> <li>Open innovation systems</li> </ul>
	 <b>Industry 4.0</b>	<ul style="list-style-type: none"> <li>Automation</li> <li>3D printing</li> <li>Artificial Intelligence &amp; IoT (drones, smart sensors)</li> </ul>	<ul style="list-style-type: none"> <li>Advanced Data analytics</li> <li>IT reliability &amp; Cybersecurity</li> <li>Supply chain resilience &amp; agility</li> </ul>
Evolving consumption	 <b>Public debt crisis</b>	<ul style="list-style-type: none"> <li>Public-private partnership</li> </ul>	<ul style="list-style-type: none"> <li>Access to strategic and historical public sectors (health, infrastructure, energy, public transportation, airlines, etc.)</li> </ul>
	 <b>Health &amp; Wellness</b>	<ul style="list-style-type: none"> <li>Public health surveillance, tracking and monitoring systems</li> <li>Medical and epidemic R&amp;D</li> <li>Healthcare systems rethinking &amp; integration (relocation of strategic pharmaceutical supply chains, etc.)</li> <li>Elderly care infrastructure &amp; equipment</li> <li>Silver economy/ Autonomy market</li> </ul>	<ul style="list-style-type: none"> <li>Telemedicine services and related AI devices and applications</li> <li>Software management, cybersecurity and compliance services</li> <li>Integrated health platforms</li> <li>Self care, home care &amp; health shopping</li> <li>Health IoT devices</li> <li>Contactless and gesture-free infrastructure</li> </ul>
	 <b>Homing</b>	<ul style="list-style-type: none"> <li>Teleworking setup, equipment &amp; applications</li> <li>Ed-Tech and E-learning applications, services and products</li> <li>Gaming</li> <li>E-entertainment &amp; digital services platforms (sports, movies...)</li> <li>Immersion, interaction and new interfaces</li> <li>Data protection and cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>User content generation</li> <li>Multiplatform services offering</li> <li>Home delivery offers (food, flowers, medicines...)</li> <li>Last mile and specialized delivery solutions (drones, automation)</li> <li>B2B2C products &amp; services to support smart homes</li> </ul>

XX Industry/ demand shifts leading to opportunities  
XX New products/ services/ business opportunities

# Strategic challenges

At the crossroads of the Megatrends which will impact the World economy, 10 major strategic challenges emerge

## GROWTH PLATFORMS

### **Rethink globalization through regionalization**

*Develop regional approaches in order to de-risk globalization*

### **Find paths for sustainable growth**

*Design a purpose-driven growth agenda*

### **Imagine the Contactless Economy**

*Enhance customer experience through contactless solutions*

### **Reposition Human Health & Safety at the core**

*Reprioritize staff, client & partner safety*

### **Ensure strategic autonomy**

*Ensure autonomy of some strategic industries/ supply chains (pharma, healthcare..)*

## ENABLERS

### **Financing the 0-risk economy**

*Integrate risk in the cost structure, reducing negative externalities*

### **Deploy resilient & agile business processes**

*Launch new ways of working et ensure minimum level of services during crises*

### **Deploy the networked value chain**

*Increase collaboration & asset sharing within ecosystems*

### **Design a new digital social contract**

*Rethink the role of data & digital in the social structure*

### **Accelerate on automation, connectivity & electrification**



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# Cyber & The Digitization of Manufacturing



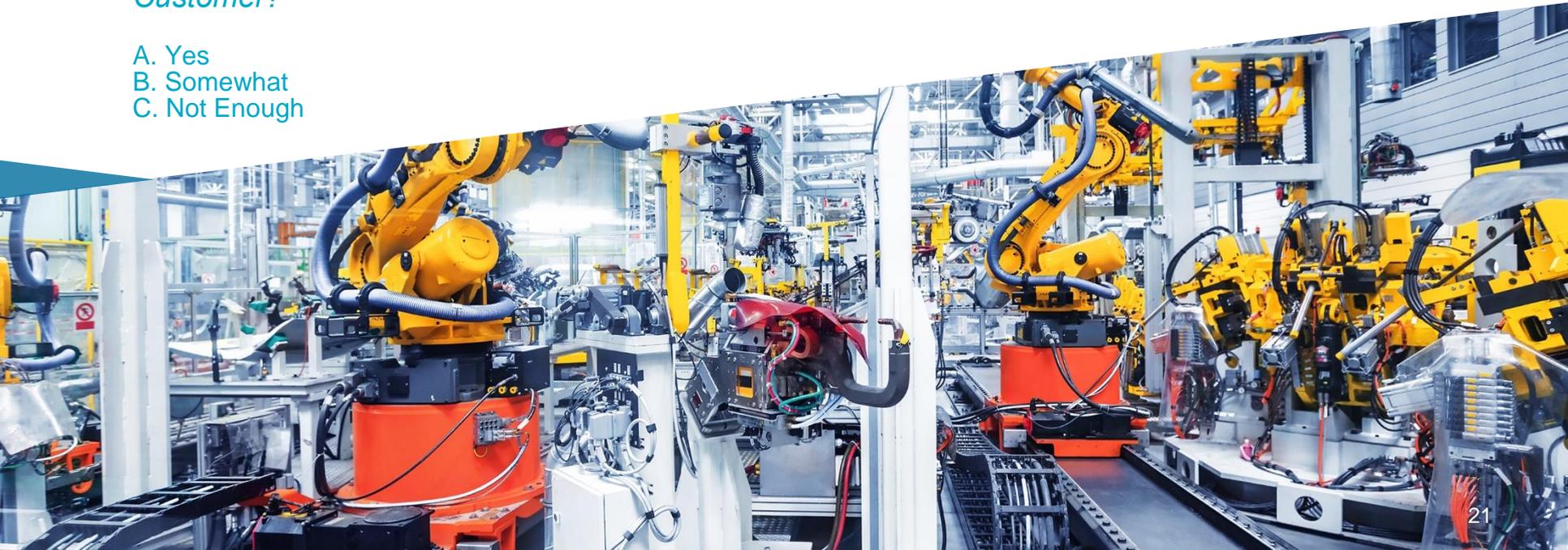
**Reid Sawyer**, Leader, US Cyber Risk Consulting Practice, Marsh



# Interactive Polling

*“Does your organization measure its technology / cyber risk in financial terms across the entirety of the value chain – Operations, Supply Chain (contingent business interruption), Distribution, and Customer?”*

- A. Yes
- B. Somewhat
- C. Not Enough



71% of organizations said cyberattacks are still a  
“bit of a black box.”

“We struggle to understand how an attack would  
impact our organization beyond the obvious.”

# Measuring cyber risks

Resiliency today requires that organizations:

- Evaluate volatility to operations and impacts across both insurable and non-insurable risks
- Determine the efficacy of risk financing strategies and risk capital



**Quality of risk is changing creating the need for an evolution in 'risk understanding'**



**Deployment of risk capital should be viewed through lens of ROI and financial KPIs**

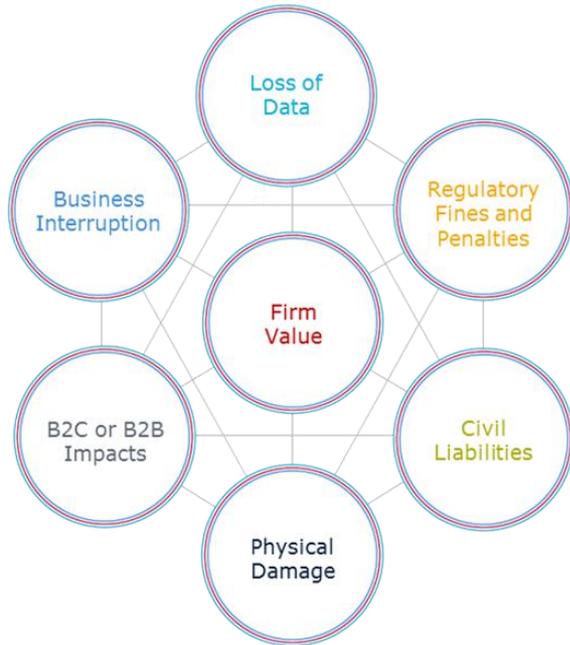
## IMPERATIVES IN PRICING EMERGING RISKS

- Risks are not 'discrete' in nature
- Traditional measurement approaches limit visibility
- An integrative view to risk is required
- Must evaluate risk in terms of current year P&L and the future strategy impact

# Challenges

- 1 How do we price cyber risk?
- 2 Threats are outpacing responses
- 3 Need for change in 'risk understanding'

# Understanding volatility



Value Chain Analysis

## MEASURING VALUE AT RISK

First Party Risks

Third Party Impacts

Supply Chain and Contingent Business Interruption

Intangible Asset Risks

Regulatory and Civil Liabilities

B2B / B2C Impacts

## We are facing an arms race...can we afford our future?

**679%**

Increase in cloud attacks on manufacturing\*

**\$26b**

Email compromise losses (2016 – 2020\*\*)

**58%**

Increase in IOT malware\*\*\*

**96%**

Malware is only seen once before it changes



**Indexing risks...** at what point does an event  
create cascading impacts?

**87%**

Boards and C-Suites lack confidence in cyber security measures

**67%**

Would not adjust cybersecurity spending after a major supplier was breached

# Connecting risk and strategy



# Extended supply chain threats



TECHNOLOGY  
PLATFORMS



PRODUCTION



DISTRIBUTION



CUSTOMERS

We must map risks beyond the enterprise to the full ecosystem.

# Defining metrics that matter



CREATE RISK FORECASTS

OPTIMIZE RISK TRANSFER  
SOLUTIONS:

- Insurance Markets
- Captive Solutions
- Alternative Risk Transfer



Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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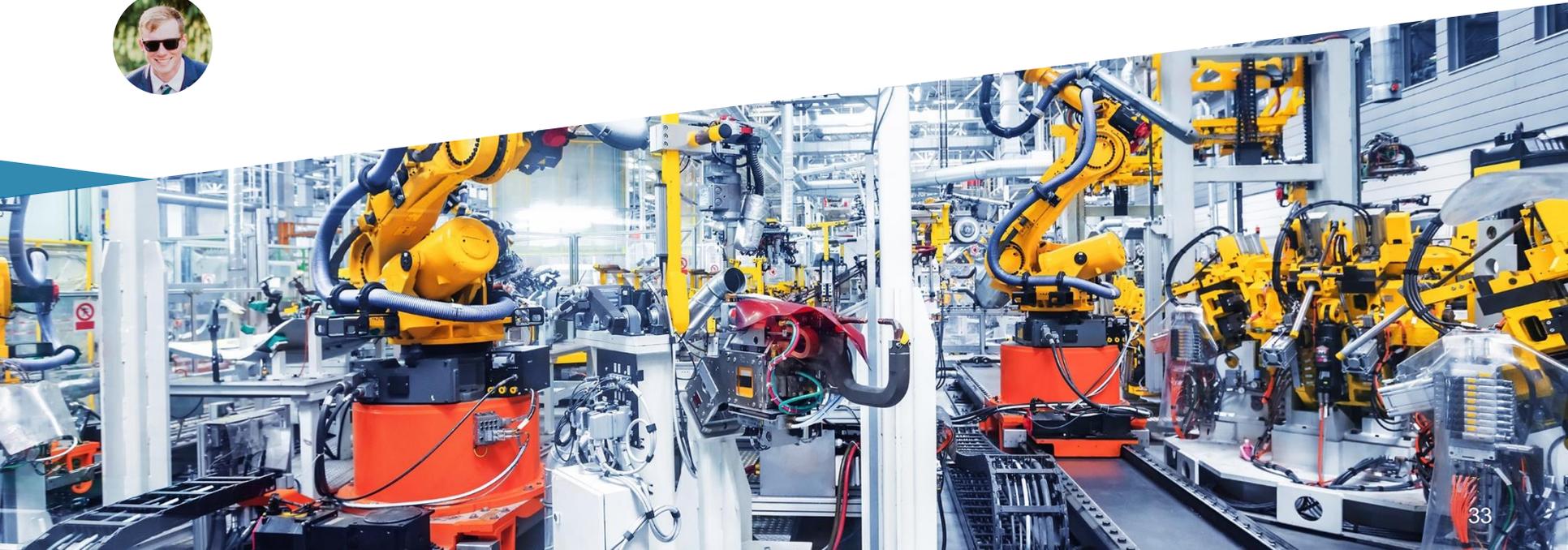
# The Evolving World of Mobility



**James Rose**, Senior Vice President, Sharing & Mobility, Marsh



**John Moore**, Engagement Manager, Transportation & Services, Oliver Wyman



# Interactive Polling

*“How do you think usage of mobility substitutes (e.g., work teleconferencing, online grocery, telehealth) that have grown rapidly during the pandemic will change after lockdowns end?”*

- A. Large decrease in use of mobility substitutes / technologies, mostly back to the way things were before.
- B. Modest decrease, many people will fall back into old habits.
- C. No change, maintaining elevated usage but no further growth.
- D. Low growth, usage will continue to increase from today's level.
- E. High growth, continuing on the high trajectory since March/April.

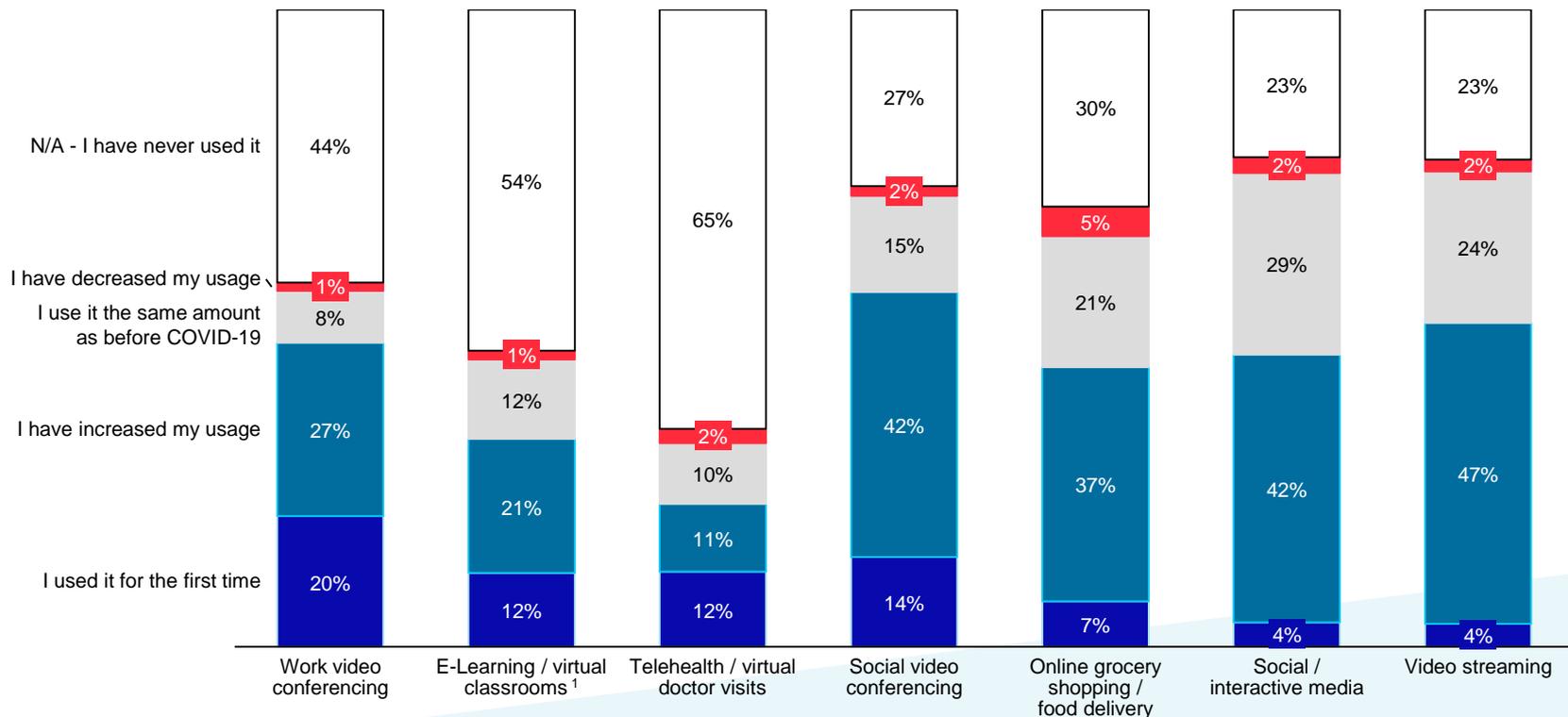


# Growth of mobility substitutes during COVID-19

A large share of respondents are using work video conferencing, e-learning, and for the first time; established substitutes (e.g., social media/video conferencing, online shopping, video streaming) have seen drastic increases in usage

## How has the COVID-19 pandemic impacted how much you use the following technologies

% of total respondents (n=6866)

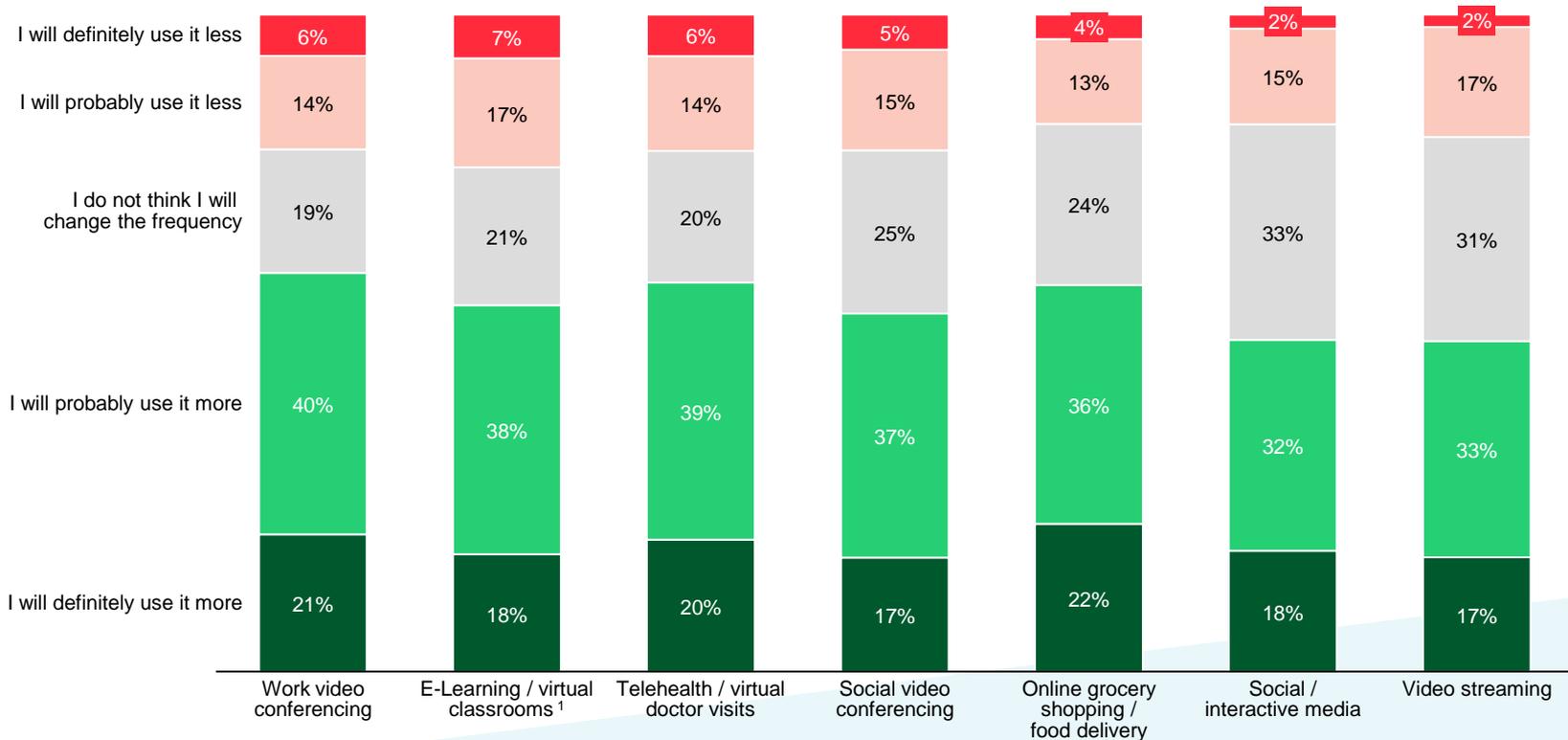


# Usage of mobility substitutes after COVID-19

Across all mobility substitutes, the majority of users will continue to use at higher levels once stay-at-home orders end, suggesting staying power

## How frequently will you use the following technologies once stay-at-home orders end?

% of users



# Why solving the delivery problem is important now

Prime opportunity for a delivery solution!

## COVID-19 Accelerates Need for Last-Mile Delivery

- E-commerce spending in the U.S. is up more than 30% this year compared to 2019 and projections show this trend will be here to stay

*Forbes 2020*

## Friction with Delivery Network Companies

- Delivery Network Companies (DNC) charge retailers up to 30% in commission
- Data on delivery operations and end-consumers lie within the hands of the DNC's

*QSR Magazine 2018*

## Consumers' Willingness to Pay

- 30% consumers are willing to pay more for same-day delivery
- 83% consumers are willing to pay as much as \$5 in delivery fees

*McKinsey 2016/ Tillster & SSI Research Survey 2019*

## Rise in 1099 Workforce

- Unemployment rate has soared to 14.7% this year as millions lose their jobs amidst COVID-19

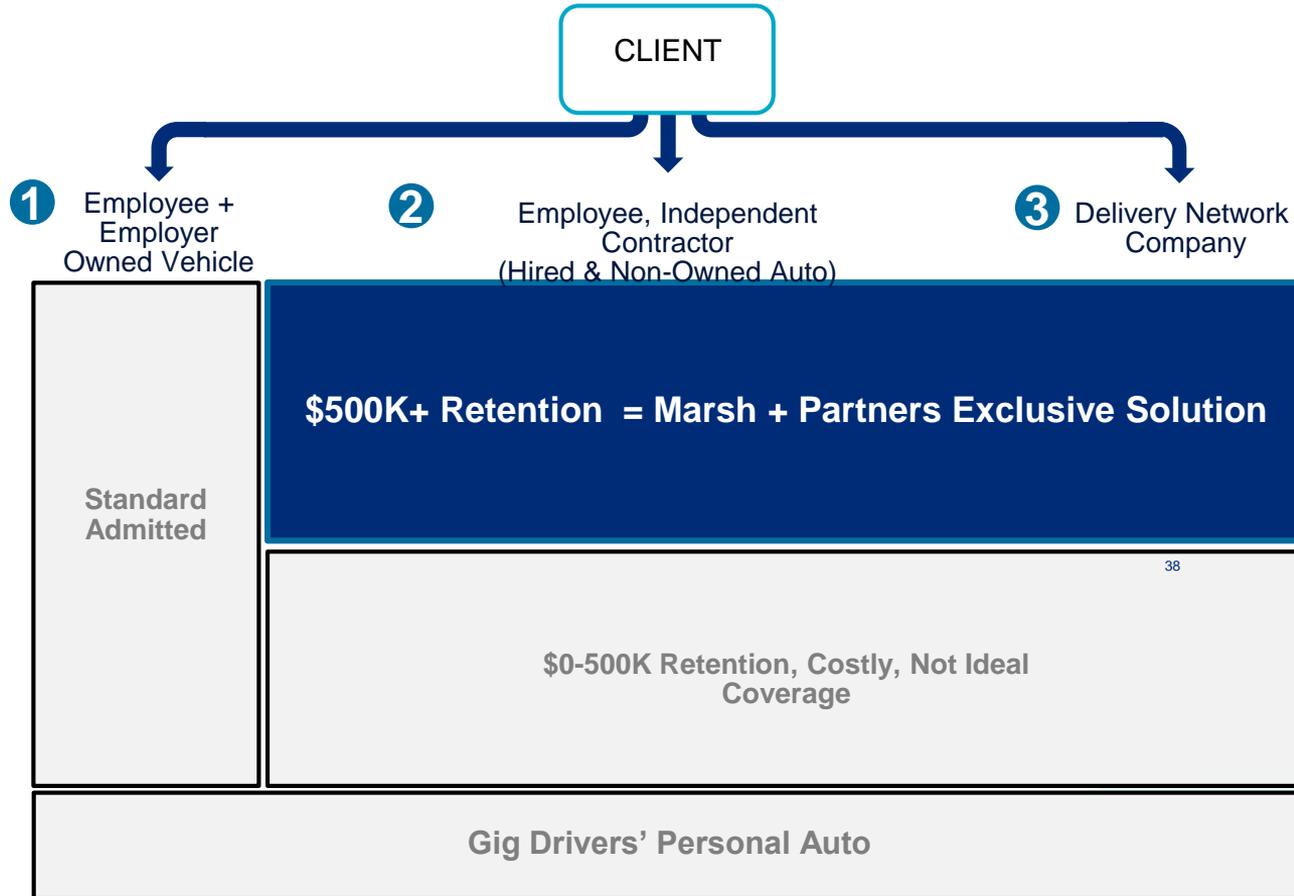
*Bureau of Labor Statistics 2020*

- More than half of the increase in 1099 workforce occurred between 2013 to 2016 and are attributable to the dramatic growth among gigs via online labor platforms

*IRS Gig Work Study 2019*



# How Risk Transfer + Tech + Service Meets A Critical Market Need



# What is DeliveryPro?





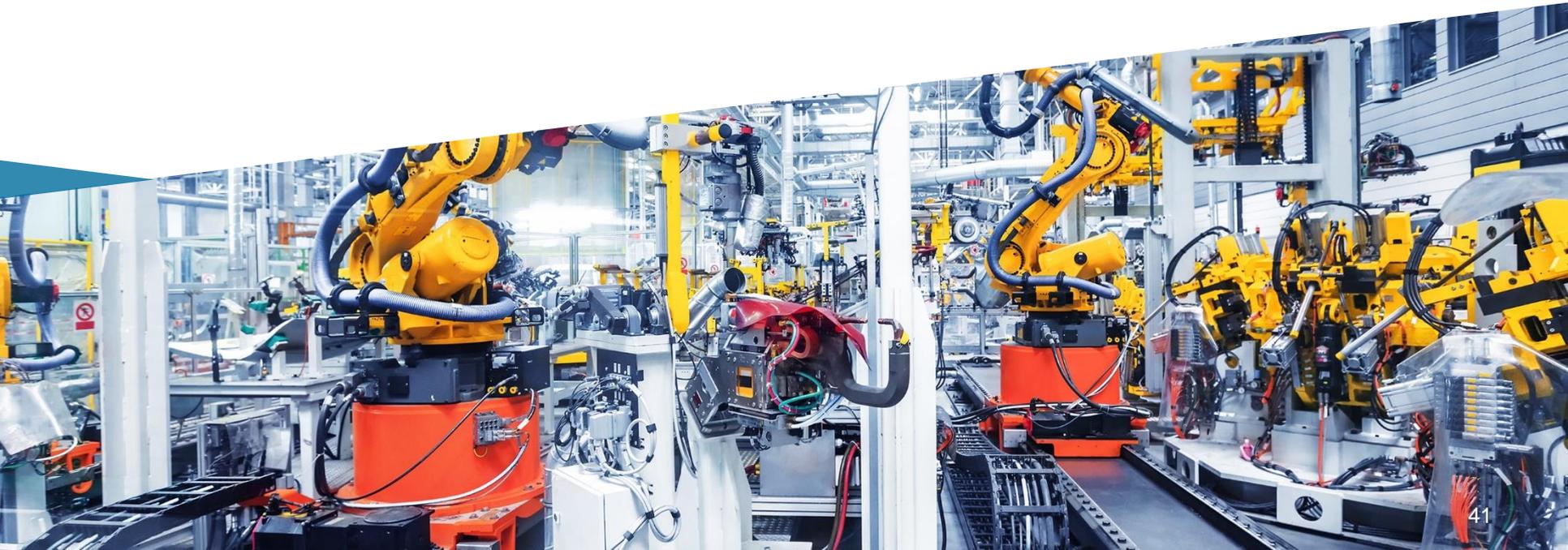
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# BREAK...

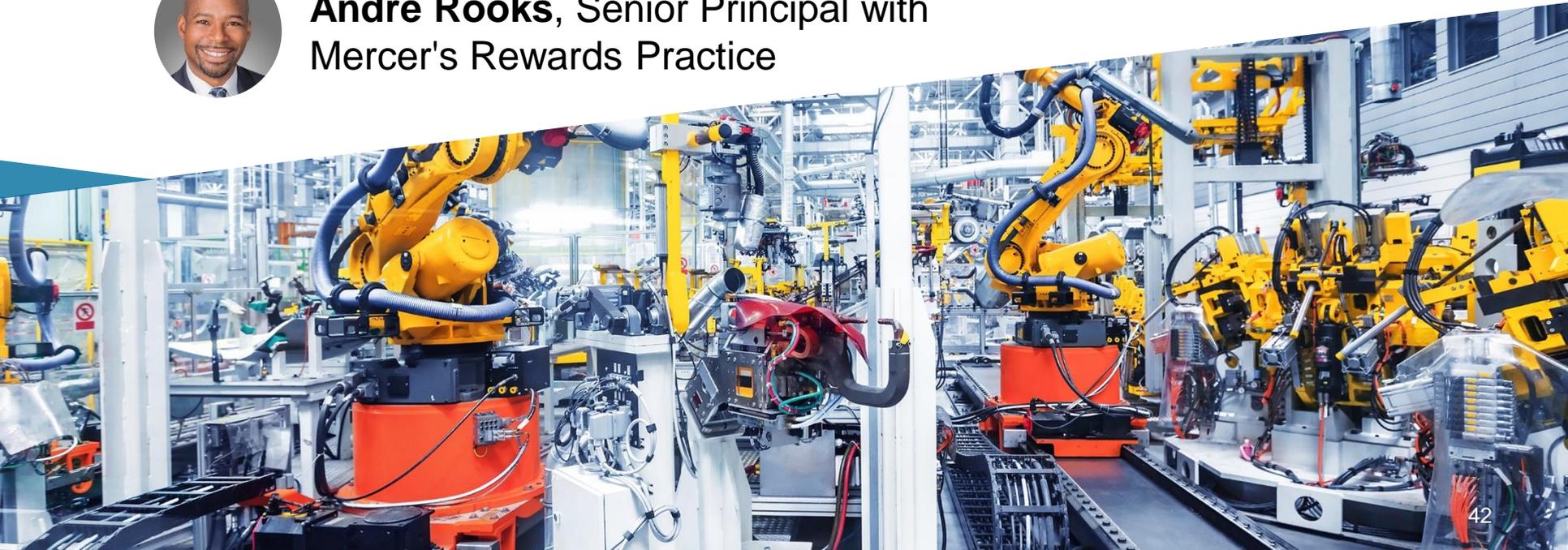
*Please return in 5 minutes- no need to log off.*



# A Peek Into the Workforce of the Future



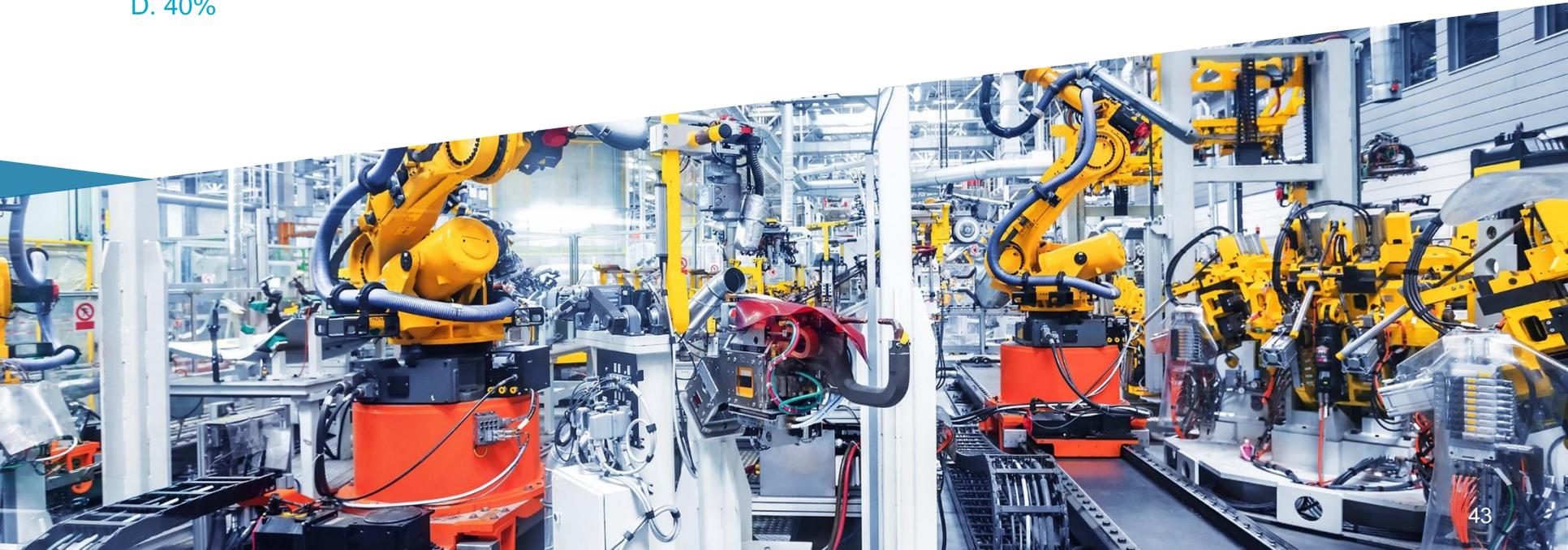
**Andre Rooks**, Senior Principal with  
Mercer's Rewards Practice



# Interactive Polling

*“What percentage of the workforce do executives believe can adapt to the new world of work?”*

- A. 75%
- B. 84%
- C. 55%
- D. 40%



# Highlights from Mercer's 2020 Report on Global Talent Trends (US Results)

## Focus on **futures**

Work together to ensure people thrive now and in the future

## Race to **reskill**

Transform the workforce by reskilling for a new world economy

## Sense with **science**

See ahead by augmenting AI with human intuition

## Energize the **experience**

Inspire and invigorate people by redesigning their work experience





focus on  
**futures**

Work together to ensure people  
thrive now and in the future

welcome to brighter

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## What delivers employees' respect in the US?

Employees prefer to work for an organization that is known for

59%

Responsible rewards

56%

Physical, psychological and financial wellbeing

39%

Sense of purpose

39%

Care of people after they retire or are let go

It's clear we need to think more broadly on how we can deliver responsible rewards. However only...



Provide financial education for employees



Offer discounted rates on external activities



Have analytics to identify the underlying causes of pay inequity



# race to reskill

Transform the workforce by reskilling  
for a new world economy

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# A new world and social order demands a new set of skills

78%

of organizations are facing disruption

99%

of organizations are planning transformation this year

## Top transformation challenges

#1

Lack of workforce capabilities and skills

#2

Organizations ability to fund the change

#3

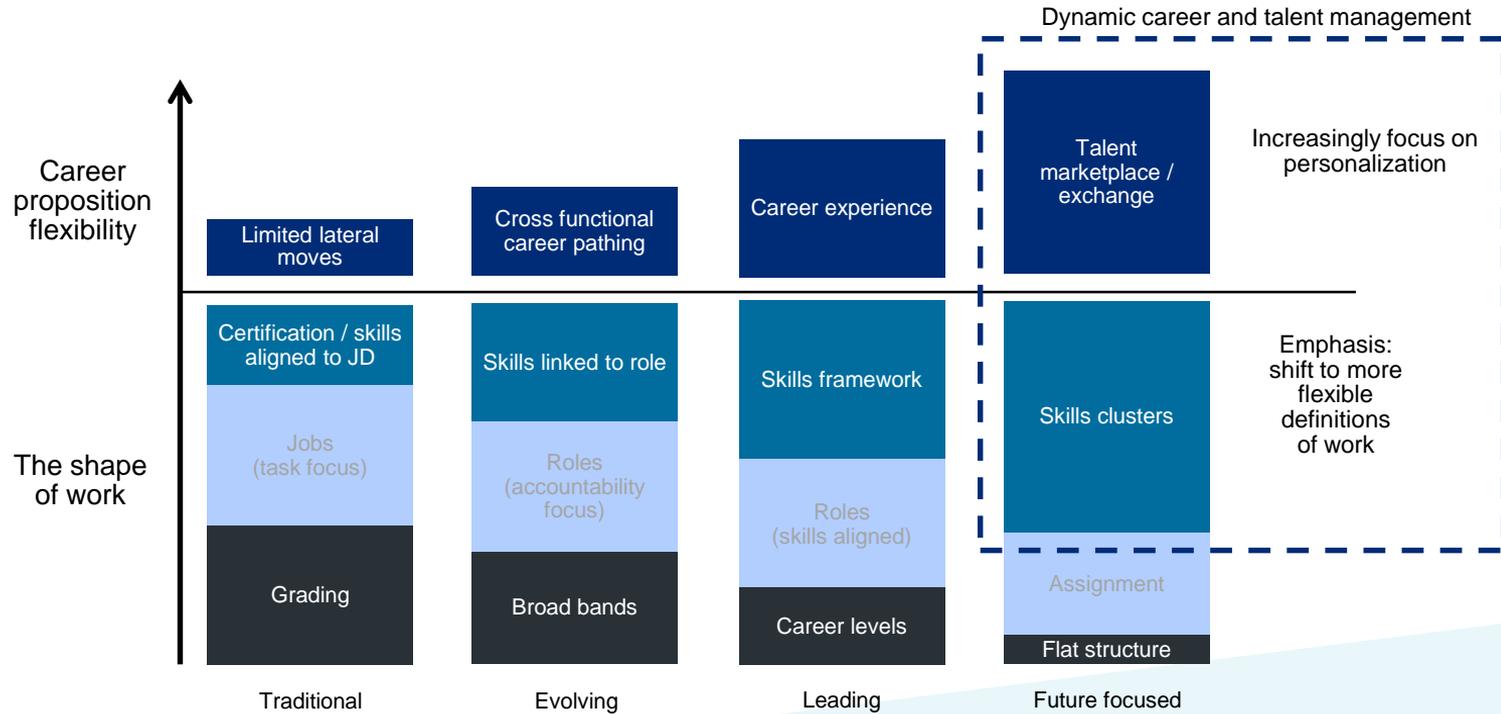
Lack of understanding of the need for transformation

#4

Apathy and change resistance



# Career & talent experience is becoming more dynamic





# Sense with science

See ahead by augmenting  
AI with human intuition

welcome to brighter

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## Use of operational oriented analytics are increasing

Top Analyses Requested	Provided today	% YOY
1 To what extent are there pay inequities by gender and race/ethnicity?	70%	+532%
2 What are the key drivers of engagement in our organization?	62%	+93%
3 Who is likely to leave in the next 6-12 months?	61%	+97%
4 Why is one team high performing and another struggling?	60%	+131%
5 How are our total rewards programs being utilized by our employees?	54%	+101%





energize the  
**experience**

Inspire and invigorate people by  
redesigning their work experience

welcome to brighter

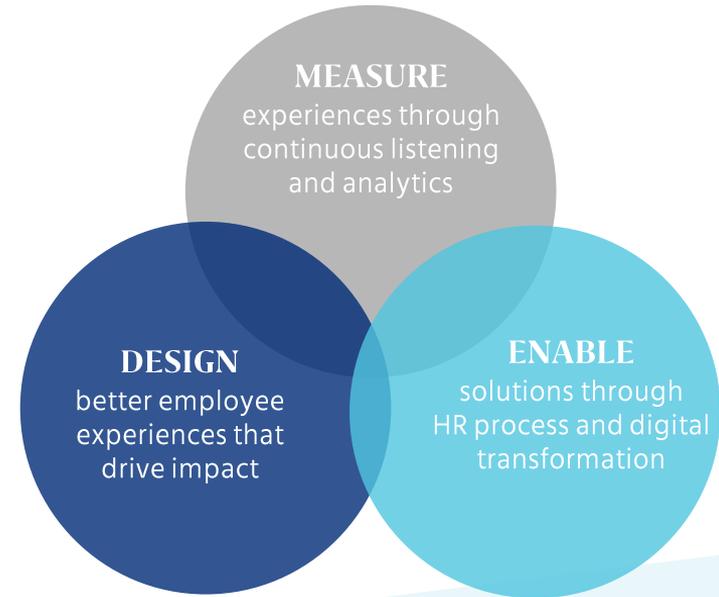
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# What makes a great employee experience – Tech-enablement

## What EX technology are you investing in in?

Intelligent 'nudging' technology to help employees make better choices	49%
Chatbots for IT, HR, or other service delivery	47%
Colleague recognition tool	45%
Collaboration / remote team technology	44%
Innovation/ideation technology	44%
Outplacement digital offering	43%
Organizational network analysis (ONA)	43%
Personalized self-service employee portal	42%
Reward management system	42%
Mentorship tool/app	42%
Remote healthcare / telemedicine	42%
Personal financial management tool (wealth calculators)	41%



# Future of Work After COVID-19

Inspire and invigorate people by  
redesigning their work experience

# Future of work after COVID-19

## What to expect

- Work will relocate for people instead of people relocating for work
- Physical offices will not disappear but their purpose will change
- The 9 to 5 working week will continue to evaporate
- Welfare and sustainability will be attraction drivers
- Transparency and democracy in talent management will continue to increase
- AI will impact jobs and ML will transform how they are conceived, paid for and evolved
- “Gig Work” and internal talent marketplaces will become commonplace



# Diversity, Equity, and Inclusion: Time for change



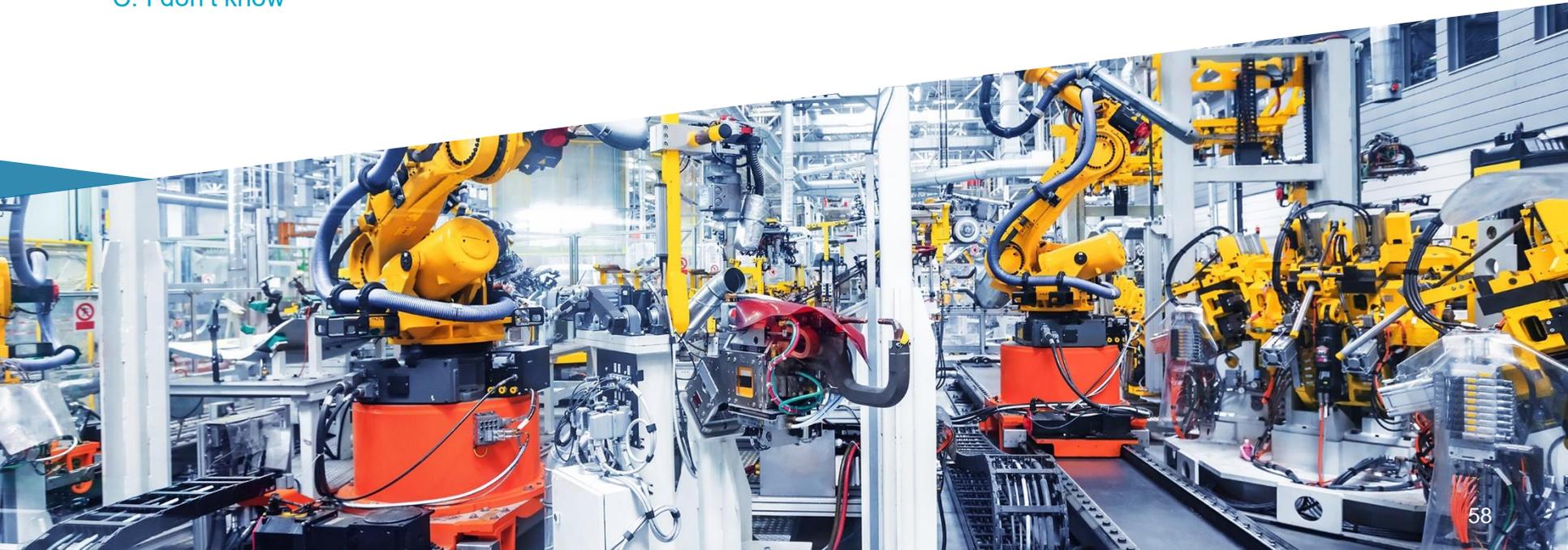
John Legg, Career Office Business Leader, Mercer



# Interactive Polling

*“Do you know if your company has a multiyear D&I strategy?”*

- A. Yes
- B. No
- C. I don't know





1,157

Organizations  
(115 in the manufacturing industry)

Representing

7.0M

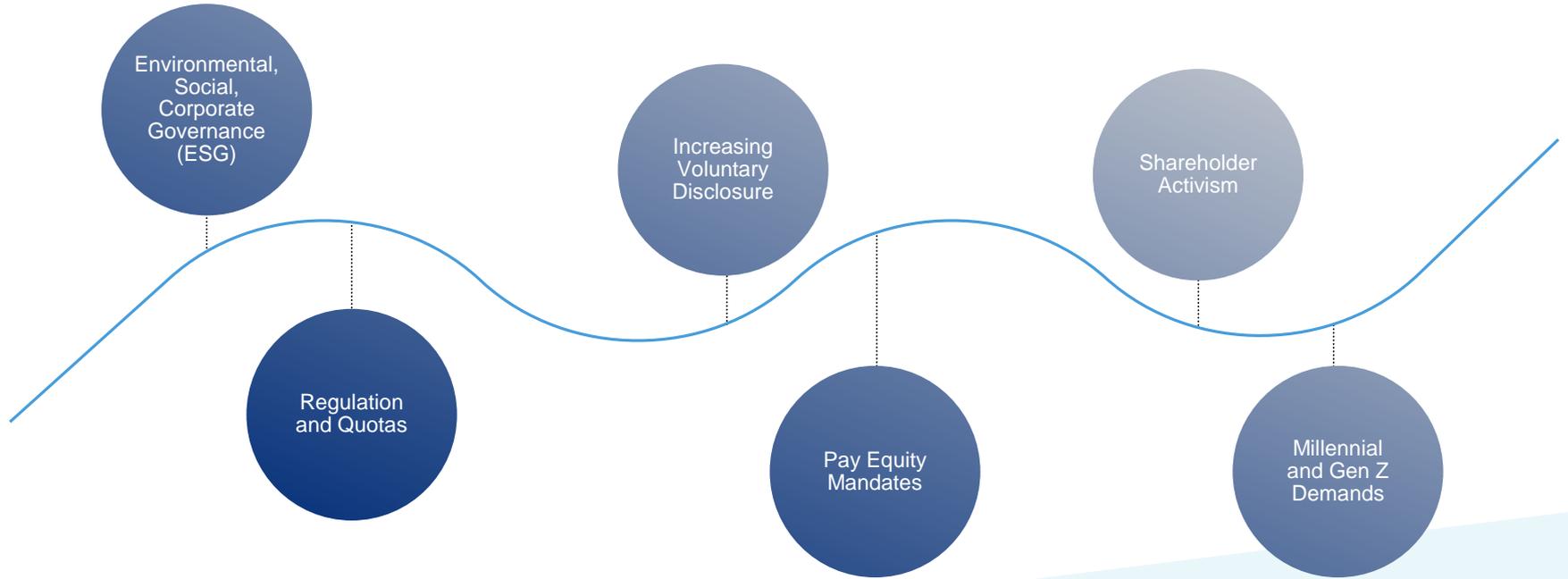
employees globally  
(665,000 in the manufacturing industry)

Across

54

countries in Asia, Australia and New Zealand, Europe, Latin America, Middle East and Africa, and North America

# Pressure cooker



# Diversity = Representation

# Inclusion = Experience

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Gender

Age

Ethnicity

Disability

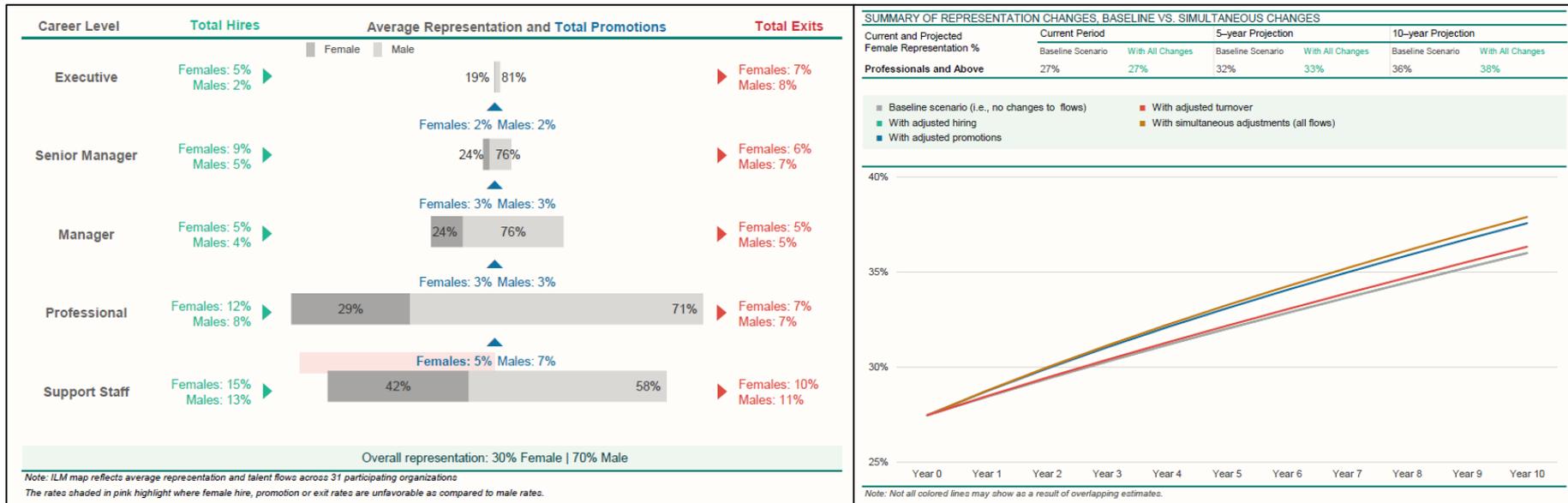
LGBTQ+

Socio-  
economic  
status

**While there have been improvements in female talent flows and representation, projections show that gender equity is improbable in the next 10 years.**



# There is a long road to parity for manufacturing organizations...

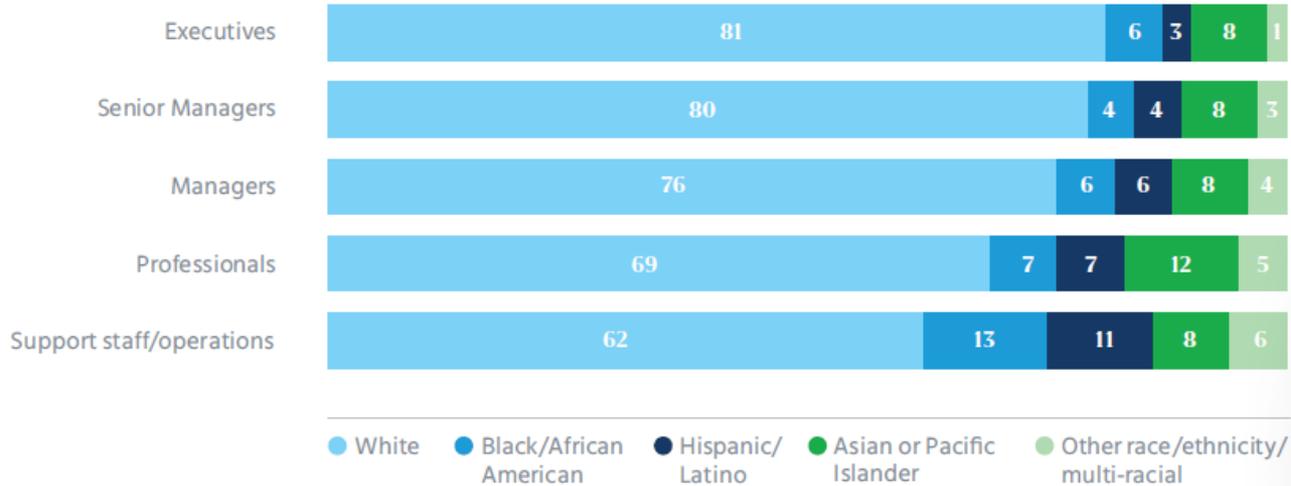


...and the math is intractable.

**The progress made over the past few decades in the U.S. has predominately been made by white women.**

**2**

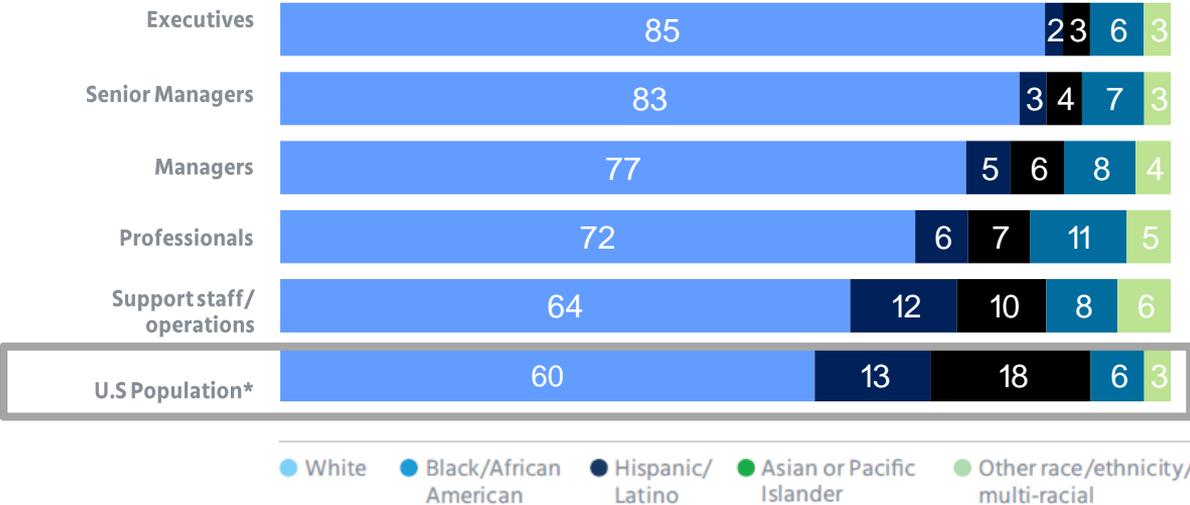
# When we look beyond gender, a different story emerges



# People of color are under-represented in the US workforce, and at leadership levels, the disparity is even more stark



Data is from Mercer's 2020 "Let's get real about equality" research; it includes data points from 100 US companies



Source: Mercer's "Let's get real about equality" 2020 global results. Data points are US specific and includes data points from 100 companies

\*Source: U.S. Census Bureau Data, 2018

say:

42%

of U.S. organizations have publicly documented commitments to racial or ethnic equality

There is room to grow and close the representation gaps

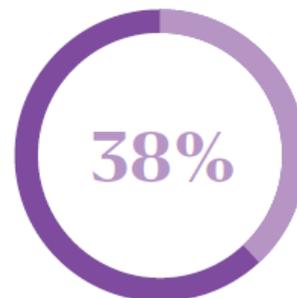
do:



Offer programs targeted at women of color



Review performance ratings by race or ethnicity to ensure against any adverse impact



Review engagement responses by race and ethnicity

Organizations are committed to D&I, but need a strategy and accountability to drive progress.

say:

77%

of manufacturing organizations are focused on improving D&I

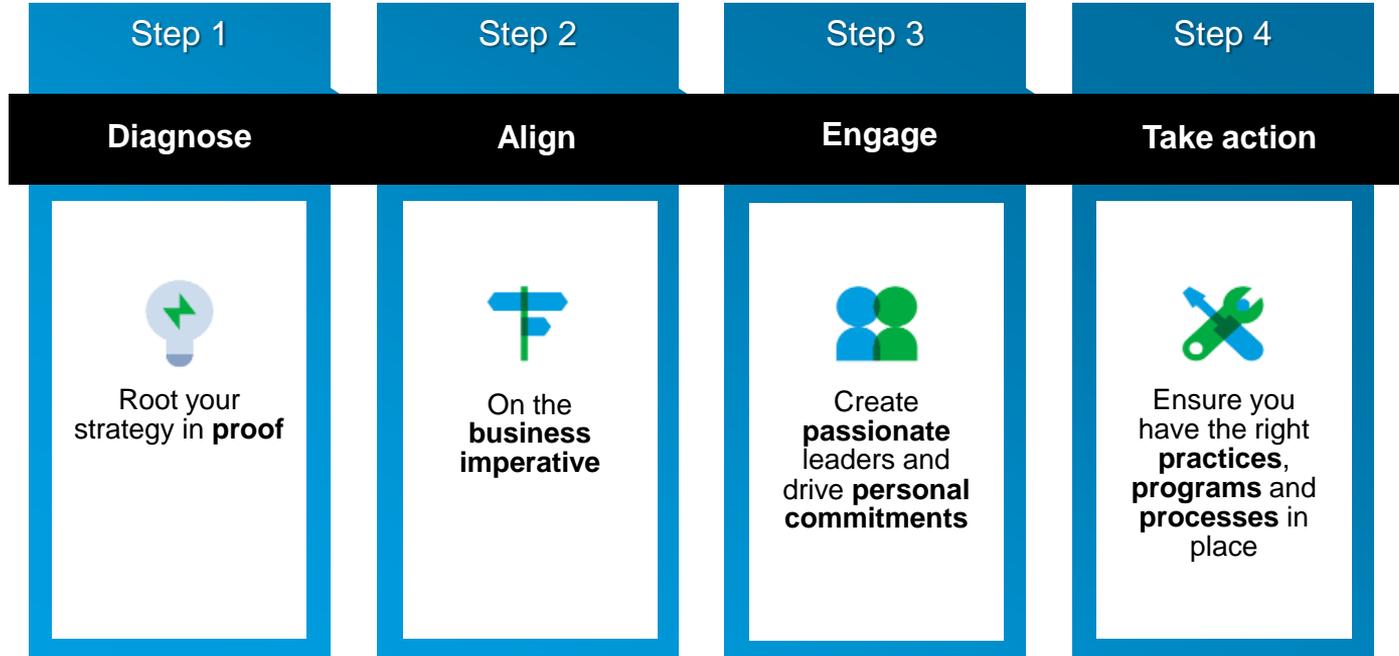
do:

43%

of manufacturing organizations have a multiyear D&I strategy

3

# Taking an evidenced-based approach to solving D&I challenges



Senior executives and the Board members are engaged in D&I efforts, but manager involvement is lacking and critical for creating an inclusive culture.

50%

of manufacturing organizations report **middle managers** are actively involved in D&I

36%

of manufacturing organizations report that **front line managers** are actively involved in D&I

38%

of manufacturing organizations report that **men** are actively involved in D&I

4

**Organizations are adopting  
more disciplined methods  
of analyzing pay equity,  
but remediation is lacking.**

**5**

**say:**

**74%**

of manufacturing organizations report pay equity is included as part of their compensation strategy

**do:**

### **Methodology**

**56%** conduct pay equity analysis using a robust statistical approach (the gold standard)

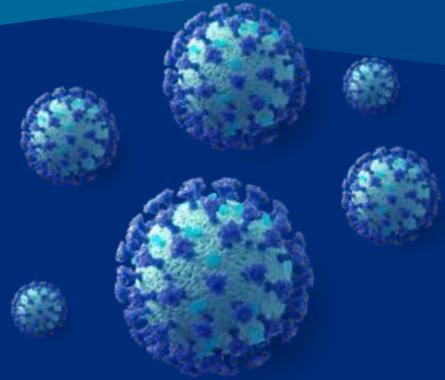
### **Remediation**

Only **48%** of manufacturing organizations have a formalized process for remediating pay inequities

### **Oversight**

HR and the C-suite are actively engaged in pay equity efforts, but only **33%** of manufacturing organizations engage the board in fair pay discussions

# COVID-19 presents special risks to women and people of color in terms of workforce security



**Job  
security**

**Financial  
safety**

**Caregiving  
burden**

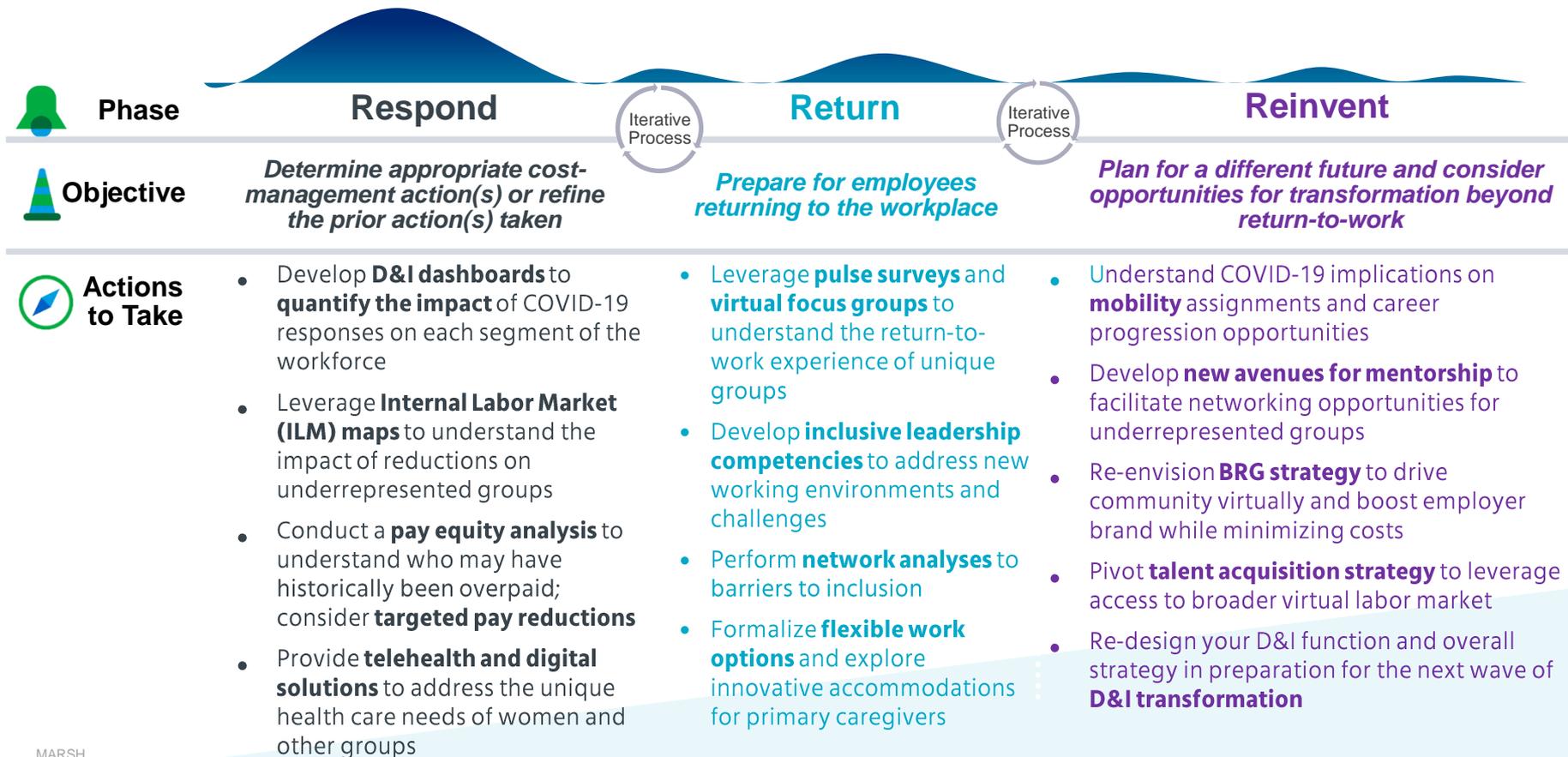
## It also presents opportunities to rethink/reinvent

**Workforce  
composition**

**Pay equity**

**Flexible work**

# Organizations have a unique opportunity to improve Diversity & Inclusion through their COVID-19 response efforts





# Download our global report

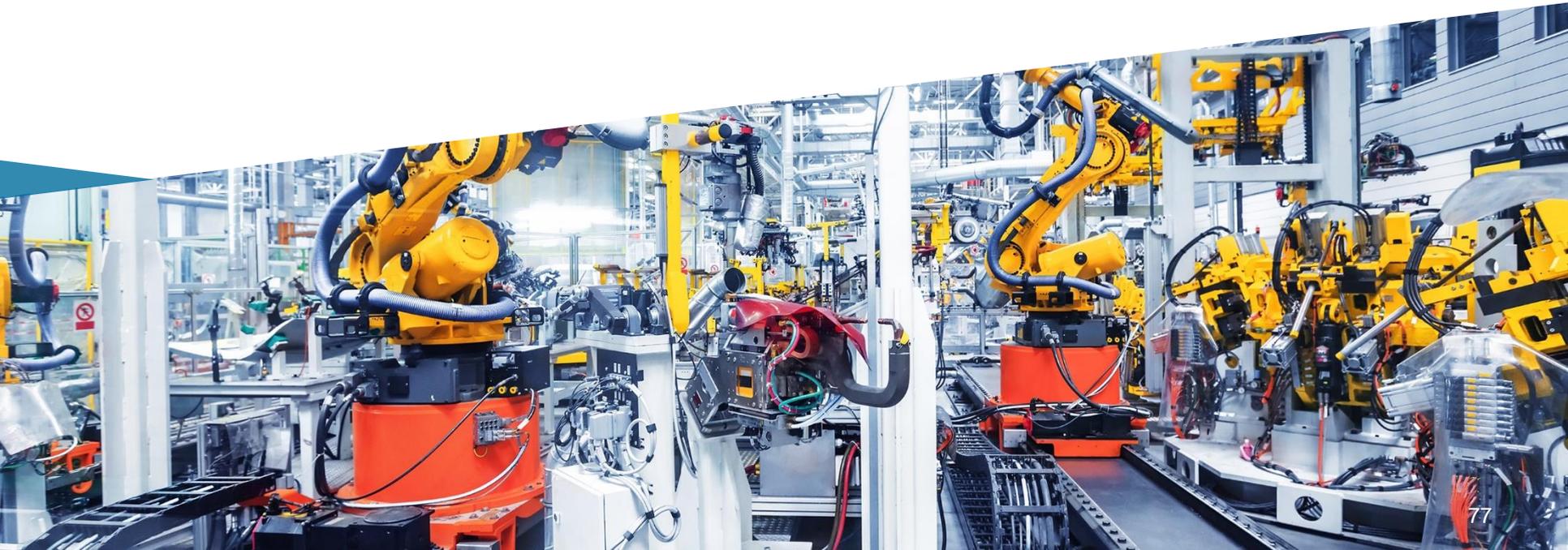
[www.mercer.com/our-thinking/next-generation-global-research-when-women-thrive-2020.html](http://www.mercer.com/our-thinking/next-generation-global-research-when-women-thrive-2020.html)

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# Q&A & Closing Remarks





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