

DONALD R. LESSARD

Epoch Foundation Professor of International
Management, Emeritus
MIT Sloan School of Management

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Academic Advisor, The Brattle Group,
Cambridge, MA
Member, Global Infrastructure Project
Research Network

**Fields:**

Global strategy, major projects, and energy.

Current research: Dynamic capabilities in global strategy; Global dynamics of development, production, and deployment of clean (er) energy technologies; Institutional and technical complexity in major projects; Risk and global strategy.

Regional Specialization: Latin America, Chinese economies, and international business in general.

Languages: English and Spanish.

Education:

BA	Stanford University 1965
MBA	Stanford University 1969
PhD	Stanford University 1970

Professional Societies

Academy of International Business (President 1995-1996, Dean of Fellows 2002-2005)
Academy of Management
American Economic Association
American Finance Association
Engineering Project Organization Society (EPOS)
Strategic Management Society

Current Working Papers:

“Understanding the Impacts of Indirect Stakeholder Relationships – Stakeholder Value Network Analysis and Its Application to Large Engineering Projects”, MIT Sloan Working Paper 4978-12, July 2012. <http://ssrn.com/abstract=2162037> (with Wen Feng, Edward F. Crawley, and Olivier L. de Weck)

Selected Publications:

Books and Monographs:

- 2001 *Strategic Management of Large Engineering Projects: Shaping Institutions, Risks, and Governance* (MIT Press) with Roger Miller.
- 1990 *Managing the Globalization of Business*, (Cuaderni STOA #1 Naples, Italy: Editoriale Scientifica,) co-edited with C. Antonelli
- 1987 *Capital Flight and Third World Debt*, (Washington, D.C.: Institute for International Economics) with J. Williamson.
- 1985 *Financial Intermediation Beyond the Debt Crisis*, (Washington, D.C.: Institute for International Economics) with J. Williamson.
- 1985 *International Financial Management: Theory and Application*, 2nd ed., editor, (New York: John Wiley).
- 1979 *International Financial Management: Theory and Application*, 1st ed., editor, (Boston, Warren, Gorham and Lamont).
- 1975 *New Mortgage Designs for Stable Housing in an Inflationary Environment*, (Federal Reserve Bank of Boston) with Franco Modigliani.

Articles and Book Chapters:

- 2014 “Strategic Partnering in Oil and Gas: A Capabilities Perspective”, *Energy Strategy Reviews*, Volume 3C, pp. 21-29. (with Rodrigo Garcia and Aditya Singh).
- 2014 “The Evolution of EMNES and EMNE Thinking: A Capabilities Perspective”, in Cuervo-Cazurra, A. and Ramamurti, R. eds., *Understanding Multinationals from Emerging Markets*. Cambridge: Cambridge University Press.
- 2014 “House of Project Complexity- Understanding Complexity in Large Engineering Projects”, *Engineering Project Organization Journal*. (with Vivek Sakhrani and Roger Miller). Winner of Best Paper Award at summer 2013 EPOS conference.
- 2013 “Uncertainty and Risk in Global Supply Chains,” in *Global Value Chains in a Changing World*, eds. Deborah Elms and Patrick Low, World Trade Organization, jointly with Fung Global Institute and the Temasek Foundation Centre for Trade and Negotiations.
- 2013 “The Shaping of Large Engineering Projects,” (with Roger Miller), *International Handbook on Mega Projects*, Hugo Priemus and Bert van de Wee, eds. Edward Elgar.
- 2012 “Building Your Company’s Capabilities Through Global Expansion,” *Sloan Management Review*, Winter. (with Rafael Lucea and Luis Vives)

also published in Spanish as “Como potenciar las capacidades de su empresa a través de la expansión global, *Harvard Deusto Business Review*, February 2013, No. 220.

- 2009 “Embracing risk as a core competence: the case of CEMEX,” *Journal of International Management*, Fall. (with Rafael Lucea).
- 2008 “MIT Roundtable on Risk Management,” *Journal of Applied Corporate Finance*, Fall.
- 2008 “Real Asset Valuation: A Back-to-Basics Approach,” *Journal of Applied Corporate Finance*, Spring, pp. 46-65. (with David Loughton and Raul Guerrero).
- 2008 “Mexican Multinationals: Insights from Cemex,” in Ramamurti and Singh (eds.) *Emerging Multinationals from Emerging Markets*, (Cambridge University Press). (with Rafael Lucea)
- 2008 “Evolving Strategy: Risk Management and the Shaping of Large Engineering Projects,” in Priemus, Flyvbjerg, and van Wee, eds, *Decision-Making in Mega Projects: Cost Benefit Analysis, Planning, and Innovation: Transport Economics, Management and Policy*, (Cheltenham UK, Northampton, MA, Edward Elgar).
- 2005 “Regaining the Edge for International Business Research,” *Journal of International Business Studies*, **36** (with Peter Buckley).
- 2003 “Frameworks for Global Strategic Analysis,” *Journal of Strategic Management Education*, **1**(1).
- 2003 “Risk and the Dynamics of Globalization” in Birkinshaw, Ghoshal, Markides, Stopford, and Yip, eds. *The Future of the Multinational Company* (Chichester, England: Wiley).
- 2001 “Understanding and Managing Risks in Large Engineering Projects,” *International Journal of Project Management*, 19 (with Roger Miller)
- 1999 "The Multinational Firm as a Learning Organization," in IEA annual research volume (London: MacMillan) (with Alice Amsden)
- 1997 "Finance and International Business," in B. Toyne and D. Nigh, eds., *International Business: An Emerging Vision*, (Columbia, S.C., University of South Carolina Press).
- 1996 “Incorporating Country Risk in the Valuation of Offshore Projects,” *Journal of Applied Corporate Finance* (Fall).
- 1996 "Distributed Knowledge and Strategic Responsiveness: A Study of Corporate Responses to Volatile Exchange Rates," with Srilata Zaheer, *Strategic Management Journal*, and (July).
- 1995 "Effective Use of Financial Markets for Risk Management by Developing Countries: A Policy Overview," in United Nations Conference on Trade and Development, *International Monetary and Financial Issues for the 1990s: Research Papers for the Group of 24*, Volume 5, (Geneva, Switzerland: UNCTAD).
- 1995 "Financial Risk Management for Developing Countries: A Policy Overview," *Journal of Applied Corporate Finance*. (Fall)
- 1992 "Coping with International Accounting Diversity: Fund Managers' Views on Disclosure, Reconciliation, and Harmonization," (with Ravi Bhushan) *Journal of International Financial Management and Accounting* **4:2**.
- 1991 "Global Competition and Corporate Finance in the 1990s," *Journal of Applied Corporate Finance*. (Winter).

- 1990 "The International Efficiency of Capital Markets," in H. Siebert, ed. *Capital Flows in the World Economy*, Symposium 1990 of the Institut für Weltwirtschaft an der Universität Kiel, (Tübingen: J.C.B. Mohr)
- 1990 "Moving Toward 1992: Managing the Internationalization of Ownership and Corporate Finance," in Lessard and Antonelli, eds., *Managing the Globalization of Business*. (Naples, Italy, Editoriale Scientifica)
- 1990 "Rediscovering Functions in the MNC: The Role of Expertise in Firms' Responses to Shifting Exchange Rates," with Nitin Nohria in Bartlett, Doz, and Hedlund, eds., *Managing Global Firms*. (New York: Routledge).
- 1989 "Country Risk and the Structure of International Financial intermediation," in Courtenay Stone, ed., *Financial Risk: Theory, Evidence, and Implications*. Kluwer.
- 1989 "Corporate Finance in the 1990's -- Implications of a Changing Competitive and Financial Context," *Journal of International Financial Management and Accounting*. (Fall).
- 1989 "Beyond the Debt Crisis: Alternative Forms of Financing Growth," in Husein and Diwan, eds. *Dealing with the Debt Crisis*. (Washington: The World Bank).
- 1988 "Panama's International Banking Center: The Direct Employment Effects" with A. Tschoegl, *Journal of Banking and Finance* 12.1: 43-50
- 1986 "Finance and Global Competition," in *Competition in Global Industries*, M. Porter, ed., (Boston, MA: Harvard Business School Press).
- 1986 "Finance and Global Competition: Exploiting Financial Scope and Coping with Volatile Exchange Rates," *Journal of Applied Corporate Finance*. (Fall)
- 1986 "Volatile Exchange Rates Can Put Operations at Risk," with J. Lightstone, *Harvard Business Review* (July/August).
- 1986 "International Finance for Developing Countries: The Unfulfilled Promise," *World Bank Staff Working Papers* (#783, January)
- 1986 "On the Measurement of Operating Exposure to Exchange Rates: A Conceptual Approach," with E. Flood, *Financial Management* (Spring).
- 1984 "Appropriate Financing for Petroleum Development in Developing Countries," with C. Blitzer and J. Paddock, *The Energy Journal* (July).
- 1984 "Contract Efficiency and Natural Resource Investment in Developing Countries," with C. Blitzer and P. Cavoulacos, *Columbia Journal of International Business* (Spring).
- 1984 "Risk Bearing and the Choice of Contract Forms for Oil Exploration and Development," with C. Blitzer and J. Paddock, *The Energy Journal* (January).
- 1983 "North-South: The Implications for Banking," *Journal of Banking and Finance* (December).
- 1983 "Guidelines for Global Financing Choices," with A. Shapiro, *Midland Corporate Finance Journal* (Winter).
- 1983 "Budgetary Timebomb? Controlling Government Loan Guarantees," with C. Baldwin and S. Mason, *Canadian Journal of Public Policy* (Fall).
- 1982 "Public Enterprise Finance: Toward a Synthesis," in *Public Enterprise in Less Developed Countries*, L.P. Jones, et al, eds., (Cambridge: Cambridge University Press).

- 1982 "Capital Market Strategy: National vs. International Integration," in *Financial Development in Latin America and the Caribbean*, B. Paul, ed., (Caracas: Inter-American Institute of Capital Markets).
- 1981 "The Effect of Inflation on Stock Prices: International Evidence," with R. Cohn, *Journal of Finance* (May).
- 1980 "Evaluating International Projects - An Adjusted Present Value Approach," in *Capital Budgeting under Conditions of Uncertainty*, R. Crum and F. Derkinderen, eds., (Amsterdam: Martinus Nijhoff).
- 1979 "Borrower Attitudes toward Alternative Mortgage Instruments," with KW Colton, AP Solomon, *Real Estate Economics*, Volume 7 Issue 4.
- 1979 "Financial Markets and the Adjustment to Higher Oil Prices," with T. Agmon in *The Structure of Energy Markets*, R.S. Pindyck, ed., (Greenwich, CT: JAI Press).
- 1977 "Financial Factors and the International Expansion of Small-Country Firms," in T. Agmon and C. P. Kindleberger, eds. *Multinationals from Small Countries*, (Cambridge: MIT Press).
- 1977 "Investor Recognition of Corporate International Diversification," with T. Agmon, *Journal of Finance* (September).
- 1977 "Currency Changes and Management Control: Resolving the Centralization/Decentralization Dilemma," with P. Lorange, *Accounting Review* (July).
- 1977 "Estrategias Financieras Externas Eficientes en Cuanto a Riesgo para Países Productores de Bienes Primarios, *Cuadernos de Economía*, **14**, Numero 14 (Agosto).
- 1976 "Recent Research on Indexation and the Housing Market," with Richard A. Cohn, *Journal of Finance*, **31**, 2 (May)
- 1976 "Large-Scale Direct OPEC Investment in US Enterprise and the Theory of Direct Foreign Investment - A Contradiction?" with S. Kobrin, *Weltwirtschaftliches Archiv* (December).
- 1976 "The Multinational Firm as Vehicle for International Diversification: Implications for Capital Importing Countries," with T. Agmon, *Revista Brasileira de Mercados de Capitais* (December).
- 1976 "The Structure of Returns and Gains from International Diversification," in *International Capital Markets*, E.M. Elton and J.G. Gruber, eds., (Amsterdam: North-Holland).
- 1976 "World, Country, and Industry Relationships in Equity Returns: Implications for Risk Reduction through International Diversification," *Financial Analyst's Journal* (January/February). Winner of Graham and Dodd Award.
- 1975 "Inflation and The Housing Markets: Problems and Potential Solutions," with Franco Modigliani, *Sloan Management Review*, **17**, 1 (Fall).
- 1975 "En Defensa de una Unión Latinoamericana de Inversiones," *El Trimestre Económico*, **XLII** (1) (Enero-Marzo).
- 1973 "International Portfolio Diversification: A Multivariate Analysis for a Group of Latin American Countries," *Journal of Finance* (June).

Cases

- 2014 CEMEX Comes Full Circle (in preparation)
- 2009 CEMEX: Globalization “The CEMEX Way” (with Cate Reavis), 09-039

Professional Honors, Awards, and Recognitions

- 2014 Pathfinder Award, Engineering Projects Organization Society (EPOS).
- 2013 Best paper award. EPOS Annual Meeting, for “House of Project Complexity”
- 2008 Class of 1960 Professor, for leadership in developing energy curriculum at MIT.
- 2004 BP Global Helios Award (partnership category) for Projects Academy
- 2002 Elected Dean of Fellows, Academy of International Business
- 1998 Elected Fellow, Academy of International Business
- 1976 Graham and Dodd Scroll for best article in *Financial Analysts Journal*

Professional Journal Editing/Editorial Boards

- 2014 Guest editor, *Journal of International Business Studies*, special issue on interdisciplinary research, 2014. (with Joe Cheng, Julian Birkinshaw, and David Thomas).
- 2014 Guest Editor, *Energy Strategy Reviews*. Special issue on partnering in oil and gas. 2014. (with Sigurd Hieberg)
- 1996 Advisory Board Member, *Journal of Applied Corporate Finance*
- 2014 Editorial Advisory Board, *Energy Strategy Reviews*

Teaching, Management and Consulting Activities

MIT Teaching

- Global Strategy and Organization (15.707, EMBA program; 15.221 Sloan Fellows Program) – current
- GO (Global Organizations)- Lab (15.708, EMBA program) – led development and completed launch, 2011-2013, current
- Energy Decisions, Markets, and Policies (15,031j joint with R. Schmalensee, S. Silbey and C. Warsaw) – 2007-2013
- Global Strategy and Organization (15. 220) – through 2011
- Strategic Opportunities in Energy (15.933 with H. Weil) – through 2011
- Corporate Strategy (15.933) early 90s
- International Corporate Finance (15.436) through mid 90s

Management, Task Force and Committee Leadership

- Faculty Director, MIT Sloan Fellows and Executive MBA Programs, led curriculum design and academic launch of MIT EMBA 2007-2011
- Co-chair, Energy Education Task Force 2007-2011. (Co) Developed and launched Institute-wide (5 schools) energy minor in 2009.
- Deputy Dean, MIT Sloan School, 1998-2004. Responsible for executive education, research, corporate partnerships, and international programs. Led integration of Sloan Fellows and MOT programs, launched large-scale custom executive education with BP Projects Academy, major research programs with Merrill Lynch and BP

MIT Sloan Executive Education

- China Development Bank. Co-director 2013-
- Li and Fung Leadership Programme. Founding Faculty Co-Director 2010-2011
- BP-MIT-MSM Programme on Oil and Gas Leadership in Russia. Founding Faculty Director, 2009-2011
- BP MIT Projects and Engineering Academy. Founding Faculty director, 2003-2010

International Educational Program Management

- MIT Sloan School Collaboration with ITESM (Monterrey Tec, Mexico). Faculty Director of Program to increase research orientation of faculty, curriculum development for new intensive MBA in Mexico City, 2004-2006.
- MIT Sloan School China Management Education Program. Co-Director of Program to develop local capabilities for teaching, curriculum for IMBA, Tsinghua and Fudan Universities, Lingnan (University) College, 1996-2003

Industrial Partnership Management

- BP Projects and Engineering Academy. Faculty director of executive education program involving MIT Sloan School and School of Engineering in collaboration with BP for 100 major project leaders. 2003-2010, Co-director of collaborative research program 2004- 2009
- MIT-Merrill Lynch Partnership. Faculty director of partnership involving Sloan School, School of Engineering, and Media Lab in education and research in Financial Technology. 1998-2003

International Teaching and Research Appointments

2012 Visiting Professor, Global Projects Center, Stanford University
2009 Visiting Professor, ITESM (Monterrey Tec) EGADE Santa Fe, Mexico
1998 ESAN (Peru), Guest Lecturer
1998 Universidad Adolfo Ibañez (Chile), Guest lecturer
1992 Visiting Professor, IESE, Barcelona, Spain,
1991 Guest Professor, STOÁ, Naples, Italy, 1991, 1992
1990 Guest Professor, Stockholm School of Economics, 1990, 1991, 1992
1985 Visiting Professor, Stanford Graduate School of Business
1984 Visiting Fellow, Institute for International Economics, 1984, 1987
1981 National Westminster Visiting Professor London Business School
1980 Visiting Fellow, Harvard Institute for International Development

PhD Students (chair unless otherwise noted)

2015 Vivek Sakhrani ESD (member)
2013 Wen Feng ESD (member)
2012 Ásbjörg Kristinsdóttir Civil Engineering and Management Interdepartmental (member)
2010 Francisco Flores-Macias (Wharton post-doc) Political Science (member)
2009 Robb Wirthlin (Air Force Institute) ESD (member)

2007 Rafael Lucea (George Washington) (member)
2005 Sulaiman Al-Jassar (Kuwait) Civil Eng/Mgm't Joint Program (co-chair)
2003 Jordan Siegel (HBS)
2002 Patrick Steineman TPP (member) (BAMerrill Lynch)
2000 Annique Un (Northeastern) (member)
2000 Andreas Gast (BCG)
1999 Alvaro Cuervo-Cazurra (Northeastern)
1997 Omar Toulan (McGill)
1995 Tony Frost (Ivey) (member)
1993 Detelin Elenkov (UTenn)
1992 Srilata Zaheer (UMinn) (member)
1992 Carlos Garcia Pont (IESE)
1988 Nitin Nohria (HBS) (member)
1988 David Laughton (Edmonton)
1987 Thierry Bollier
1987 David Sharp (UWesternOntario)
1985 Sumantra Ghoshal* (LBS) (member)
1985 Yongwook Jun (Chung-An)
1985 Ben Gomes Casseres, PhD Harvard Business School (Brandeis) (member)
1984 Bruce Kogut (Columbia) (member)
1984 Eugene Flood, PhD MIT Economics
1984 Tim Luehrman, PhD Harvard University (Standard and Poors) (co-chair)
1980 Rene Stulz, PhD MIT Economics (Ohio) (co-chair)
1979 Moises Naim (Carnegie Endowment) (member)
1979 Shing Fung (member)
1978 David Mullins (member)
*Deceased

Public Affairs

Senior Fellow, Fung Global Institute, Hong Kong. 2011-2014

Consulting: Private Sector

Academic Advisor: The Brattle Group, Cambridge, MA.

Foreign Exchange and Country Risk Management – North America: Chemical Bank, GenRE Financial Products, Dow Chemical, Merck and Company, PepsiCo, Westinghouse/Thermo-King Division, GTE, Chase Manhattan Bank and others. Europe: Repsol S.A. (Madrid, Spain). Latin America: Perez Companc, East Asia Corporation.

Valuation and International Investment Strategy -- North America: Various clients of the Brattle Group, Lucent, Eastman Chemical Corporation, and Alstom. Asia/Australia: Australian Overseas Telecommunications Corporation (in conjunction with Marakon Associates Australia). Europe: IBERENER

Internationalization using the RAT/CAT model. White papers for DHL US and Mexico (2013-2014)

Strategic Management and Change --Latin America: Banamex. MRS Logística (Brazil), Andean Development Corporation (CAF)

International Portfolio Management -- North America: Acadian Financial, GTE. Europe: Santander Investments (Madrid, Spain)

Project Management – Accenture/ENI, BP, Statoil, Kinder Morgan

Consulting: Governments and multilateral organizations

Andean Development Corporation, Caracas, Venezuela Andean Investment Fund (1972-73), Strategy and Change (1997-2000).

Malaysia/Securities Commission (1995-1997, 2000-2001). Capital Market Master Plan, risk management for corporate directors.

Group of 24. Review of feasibility and organization of financial risk management by developing countries, June-July 1993.

USAID, Design and direction of Financial Leadership Workshop. August 1991.

The World Bank: Studies on alternatives forms of commercial finance for LDCs, country financial sector development, investment incentives (1976 to present), contributor to *World Development Report* (1985) and Conference on LDC financing (1989), seminar for senior financial officials of LDCs on financial strategies (1991, 1992); Seminar on Commodity Price Risk Management, 1998.

Kuwait, Council of Ministers, Kuwait Investment Authority (CMT International): Strategies for international development of financial sector. (1987-1988), Kuwait University (CMT International), Center of Excellence Program (1997).

Panama (USAID): Policies to strengthen International Financial Center (1985).

Canada, Corporate Finance Division, Ministry of Finance: Budgetary evaluation of financial incentives, effect of country risk on cost of capital and financing strategies. (1980-83).

Ecuador (Harvard Institute of International Development): Alternative contract forms for petroleum development (1981-83)

UNIDO, Vienna: Third World Finance (1977, 1982).

Bolivia, Financial development with a focus on mining sector, HIID Project (1976-1978).

PETRAD, Norway. Advice on design and delivery of education programs for emerging economy oil and gas regulators. (2013)

Expert Testimony:

2013 National Energy Board Hearing regarding pipeline risk and its relation to structure of Tariffs, Canada (with the Brattle Group)

2010 ICC arbitration regarding removal of regional investment incentives, Eastern Europe (with The Brattle Group)

2010 ICSID Arbitration regarding expropriation valuation, Latin American producer goods (with The Brattle Group)

2008 ICSID Arbitration regarding buyout valuation, Latin American consumer products (with The Brattle Group)

2008 ICSID Arbitration regarding buyout valuation, Latin American consumer products (with The Brattle Group)

1991 Securities and Exchange Commission, expert testimony regarding efficiency of German markets and ability of US investment managers to effectively utilize German financial information in conjunction with submission to SEC by lending German firms re disclosure requirements

1975 US Senate, Committee on Banking and Finance, Testimony on alternative mortgage instruments