

# DONALD LESSARD



NAME: Donald Lessard		
TITLE: Epoch Foundation Professor of International Management and Engineering Systems, Emeritus		
AFFILIATION: MIT Sloan School of Management		
YEAR PhD AWARDED:1970	YEAR BECAME AN AIB FELLOW:1998	YEAR(S) OF SERVICE AS AIB PRESIDENT: 1995-1996

## **PRIMARY CONTRIBUTIONS TO THE FIELD OF INTERNATIONAL BUSINESS:**

- Role of diversification in international investment
- Comparative advantage in risk taking at firm and country level
- Integrative (marketing, ops, and finance) management of foreign exchange risks
- International valuation (taxes, currency, country risk)
- RAT/CAT perspective on capabilities

## **SELECTED MAJOR PUBLICATIONS:**

- “The Dynamic Capabilities of Meta Multinationals” Global Strategy Journal, 2016 with D. Teece and S. Leih.
- “The Evolution of EMNES and EMNE Thinking: A Capabilities Perspective”, in Cuervo-Cazurra, A. and Ramamurti, R. eds., Understanding Multinationals from Emerging Markets. Cambridge University Press, 2014.
- “Uncertainty and Risk in Global Supply Chains,” in Global Value Chains in a Changing World, eds. Elms, D. and Low, P., WTO, 2013
- “Building Your Company’s Capabilities Through Global Expansion,” Sloan Mgm’t Review, Winter, 2012. with R. Lucea and L. Vives.
- Strategic Management of Large Engineering Projects: Shaping Institutions, Risks, and Governance. MIT Press, 2001 with R. Miller.
- “Incorporating Country Risk in the Valuation of Offshore Projects,” Journal of Applied Corporate Finance. Fall, 1996.
- "Volatile Exchange Rates Can Put Operations at Risk," with J. Lightstone, Harvard Business Review, July/August 1986.
- Financial Intermediation Beyond the Debt Crisis, Washington, D.C.: IIE, 1985 with J. Williamson.
- International Financial Management: Theory and Application, 2nd ed., editor, New York: John Wiley, 1985.

- "Investor Recognition of Corporate International Diversification," Journal of Finance, September 1977. with T. Agmon.
- "World, Country, and Industry Relationships in Equity Returns: Implications for Risk Reduction through International Diversification," Financial Analyst's Journal, January/February 1976.
- "International Portfolio Diversification: A Multivariate Analysis for a Group of Latin American Countries," Journal of Finance, June 1973.

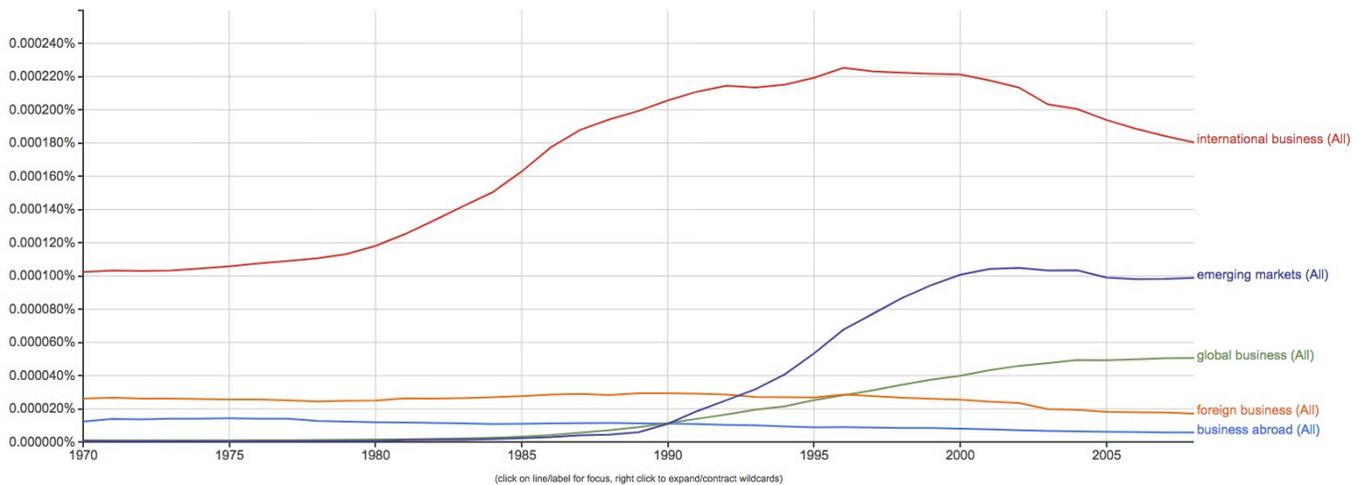
**MAIN HONORS AND DISTINCTIONS:**

- Pathfinder Award, Engineering Projects Organization Society, 2014
- BP Helios Partnership Award, 2004
- Dean of Fellows, Academy of International Business, 2002-2005
- Elected Fellow, Academy of International Business, 1998
- President, Academy of International Business, 1995-96
- Graham and Dodd Award, Financial Analysts Journal, 1976

## MAJOR DEVELOPMENT OF THE AIB DURING YOUR YEAR(S) OF SERVICE

Being an AIB President involves delivering events that were planned earlier by others, setting in place events that will be delivered by others, and only a few choices that make a difference beyond the current events. Much of the job is symbolic, as most of what happens to the AIB is through the progress of its members and the mentoring they bring to the entering generations, as well as through its journal(s) that build its brand. Further, AIB is led by a team – in my years I benefitted from working closely with Jim Wills and Laurel King, Executive Secretary and Director, who professionalized AIB management and made sure that the myriad arrangements for venues, meetings, communications, membership, etc flowed smoothly, and two great program chairs/teams. -- John Stopford/Dong Sung Cho and Jose de la Torre, and VP Admin Chuck Kwok. JIBS was doing well, with increasing quality and a strong identity under the editorship of Paul Beamish.

The mid 90s were an inflection point for IB, as both the phenomenon and the academic field were changing -- US FDI dominance was waning, Japanese firms and Asia in general were the rage, and emerging markets were hot. as seen in the nGram below. Further, the way that international was treated within business schools was changing. We were worrying about being “mainstreamed” and losing our distinctive edge as the functions embraced the international dimension and global became the buzzword of the day. AIB itself was in the early stages of shifting its center from a multi-functional collective to a more integrative multi-level field of study. I personally was on a similar journey, having come into the field from a finance perspective, at first looking at firms only as generators of returns that could be analyzed statistically, then using finance as a lens on international business, and gradually taking a broader and more integrative approach with an explicit multi-level structure.



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*Getting up to speed.* During my first board meeting as an observer (November 1994 in Boston), I was introduced to several recurring issues in the AIB: relatively low submissions (and accordingly very high acceptance rates) of papers for meetings, and a narrow financial margin. There also was a new concern, that taking the annual meeting out of North America would reduce registrations, especially if we were to cease to be the IB job market venue, and thereby threaten our solvency. In my first board meeting as president (UCLA March 1995) we returned to these issues, raised our dues and registration fees modestly, and engaged what turned out to be my two priorities over the remainder of my term. The first was to increase the quality and rigor of the AIB meeting without losing its unique engaging and participatory character. To do this, we invited Dong Sung Cho to co-chair the Seoul meetings in order to reach out for Asian submissions and we instituted two tracks (competitive and forum papers) for submissions. The second was to move the AIB (and IB) beyond a multi-functional perspective to a more interdisciplinary and topical focus which we discussed at some length.

*Seoul 1995.* Taking our meeting to Asia had two immediate effects. For the first time, over one-half of the presenters were from outside of US, but our projected slim surplus turned into a loss. I recall (and the minutes bear out) substantial discussion in board around making future meetings more sustainable (aka increasing the fee) and extending the planning horizon. John Stopford made a substantial effort to organize the conference thematically, including macro and policy issues beyond the firm, but ended up with one that was predominately functional. He and I made another run at this with “themed” tables for the business lunch. As I recall, all but Int’l HR accepted and enjoyed the challenge. We deemed the inclusion of forum sessions a success, as they allowed more members to present work in process while sharpening the criteria for selecting competitive papers.

*Banff 1996.* In the pre-meeting (May 1996), Paul Beamish reported on an extensive IB citation survey. His findings showed that JIBS is good on strategy and management but too restrictive by being too empirical. The board noted that articles should have a link to the strategy of an organization to be appropriate for JIBS and the content must cut across boundaries. Banff was gorgeous location for conference. Major issue of day was the selection of the JIBS editor. With three excellent candidates/teams, we opted for the proposal with the strongest multi-level (political economy, strategy, org) vision. Jose de la Torre arranged a much more thematic set of sessions for the meetings (see

table below), though in the post review he noted that this was very difficult to do and made programming a just in time exercise. We also incorporated poster sessions for the first time and included many more panels (13!). No major scandals, a lot of fun.

<b>Seoul 1995 meeting topics</b> (selected)	<b>Banff 1996 meeting sessions</b> (selected)
Marketing (4)	Marketing Strategies and Global Performance
International Finance and Capital Markets (4)	Organizational Learning in a Cross-cultural Context
Cultural Issues (4)	National Rivalry and Competitiveness
HR Management, Int'l HR Mgm't (4)	Innovation in Multinational Enterprises
Multinational Enterprise Evolution, Networks, Mgm't (5)	Int'l HR: Expats, Learning, and Leadership
MNE Strategy (2)	Locational Factors in Manufacturing and Tech.
Ownership Issues	Asian Advantage: Global Strategy in the Pacific Region
Managing Trade	The Metanational Corporation: Knowledge Orchestration ...
National and Industry Competitiveness	Integration - Responsiveness and Subsidiary Autonomy
Managing Innovataion (2)	Financial markets and Investment Decisions