

Preface for *Collaboration in Value Networks*

Value networks are collectives of enterprises, government agencies, and service providers complementing each other's work in the stage-by-stage process of building up a final product that meets customers' needs. It stands to reason, then, that effective collaboration between these entities underpins the efficiency and success of the entire network. As value chains have grown in complexity and geographic reach, the role of collaboration has gained in importance.

I am delighted that LOGYCA – an organization born out of the need to foster and improve collaboration in business – has published a book on this critically important topic.

My business relationship with LOGYCA began in 2008, when the organization signed a multi-year agreement with the MIT Center for Transportation & Logistics to create the Center for Latin-American Logistics Innovation (CLI). CLI is part of the MIT Global SCALE Network, an international network of centers of excellence where each center contributes resources to conduct research in the supply chain field, administer educational programs, and work with corporate sponsors.

LOGYCA has become an esteemed member of the SCALE network both as an active participant and source of supply chain expertise generally – but particularly in the Latin America region. As explained in this book, many aspects of supply chain management are unique to the region. The book contributes to the body of knowledge on the development and sustainment of collaborative business-to-business relationships in Latin America.

Meeting these challenges is more important than ever. Companies are competing in an increasingly uncertain commercial environment at an exceedingly volatile time. The volatility and uncertainty are rooted in external shocks, such as the Covid-19 pandemic and the 2022 war in Ukraine, as well as accelerating technological changes. As a result, value chains are being redesigned and new operating processes adopted. Many rely on new digital tools and processes that change the nature of collaboration.

Supply chain digitization – a global trend that is reshaping supply chains – is changing the ground rules that govern the way companies relate to each other. An example is third-party networks that offer logistics services to a broad range of

enterprises. Participants in these networks might be required to share resources such as truck or warehousing space with other companies, an arrangement that often requires a different competitive mindset. Enterprises that embrace such relational changes through new forms of collaboration can capture lower costs, increased efficiency, and improved customer service.

However, to realize benefits like these, companies need guidance on how collaborative relationships in value networks are evolving and how enterprises can take advantage of the tremendous business opportunities that are opening up.

This is why *Collaboration in Value Networks* is such a valuable resource. And I can think of no better organization to author this book than LOGYCA. In addition to mapping the current and future role of collaboration, this book offers a blueprint for companies on creating and sustaining business relationships in markets that are fraught with risk, but rich in opportunity.

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