

Preface by Dean Kashiwagi



The worldwide marketplace is forcing the optimization of all functions and services. There is no place for waste in today's economy. As processes become more efficient, they need less management, control and regulation, and more leadership, alignment of expertise, vision, and value. "Accountability" will become the key issue.

More than 17 years ago I created a process called best value PIPS (Performance Information Procurement System) at Arizona State University. At this moment we have performed more than 900 tests using this concept, with a spend of over \$4.4 billion. Best Value PIPS is being used all over the U.S., being tested in the Netherlands, Botswana and Malaysia. Interest is now worldwide due to the dominant results of the process (up to 90% fewer transactions, vendors maximize their profit, and owners pay less for great quality.) We started testing in the construction industry, and have moved on to other industries. The results are the same in every industry. PIPS is a solution that can be applied to any outsourcing or supply chain management issue. It is a method to outsource procurement transactions: to control without controlling, to manage without managing, to react without reacting. To help people understand this, we have renamed a part of the process PIRMS, or the Performance Information Risk Management System.

The results have been tremendous. Of all projects a total of 98% has been successful.

PIPS turns managers into leaders without all the leadership qualities that are born within leaders. The Best Value PIPS system will hire the right people for the right job, requiring very little management and decision-making. The performers will all do their jobs as if they were following a great leader.

About six years ago I met Sicco and Jeroen. Right from the start, I noticed their visionary leadership and their ability to implement PIPS/PIRMS. They have spread the thoughts and concept of Best Value PIPS and Best Value Procurement in the Netherlands. They have helped organizations implement the philosophy and have educated people. As a result, the Netherlands is one

of the countries outside the US where the concepts of PIPS is most widely used. Best Value Procurement/Prestatieinkoop has conquered the Netherlands! We have found that common sense and logic have no language barrier. Never before have I seen such a swift adoption and spreading of the philosophy!

The first edition of “Prestatieinkoop” (and the first-ever non-English book on PIPS) has been received very well. It explained why performance-based contracting is so important and showed why, what and when. Now, Jeroen and Sicco have written all the latest insights, lessons learned and best practices in this second edition.

I encourage every reader to implement the concepts in their own practice. Let’s take procurement, risk management, and project management in The Netherlands to the next level!

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