

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, vision, and value. "Accountability" will become the key issue.

More than 15 years ago I created a process called PIPS (Performance Information Procurement System) at Arizona State University. At this moment we have performed more than 700 tests using this concept, with a spend of \$2.3B. PIPS is being used all over the U.S., being tested in the Netherlands and in Botswana. 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 itself: 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 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.

Four 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 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.

Now, Jeroen & Sicco have written down their ideas and experiences in this book. It is the first non-English book on PIPS. This book explains why performance-based contracting is so important. It also tells you how, what and when. 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!

Dean Kashiwagi, PhD
Director
Performance Based Studies Research Group
Arizona State University
www.pbsrg.com