

Preface by Dean Kashiwagi

The worldwide marketplace has resulted in the optimization of delivery of services. There is no place for waste in today's economy. As processes become more efficient, the use of management, direction and control is being replaced by the utilization of expertise. The abusive "win-lose" contracting systems are being replaced by the "win-win" best value approach. The relationships and trust which were so vital in the past twenty years are being replaced with transparency and the language of experts. The day of the Management, Direction and Control (MDC) "win-lose" era is over, and we are now stepping into the new paradigm of the "utilization of expertise."

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 1,500 tests using this concept, with a spend of over \$5.6 billion. Best Value PIPS is being used all over the U.S., and has now spread to Finland, Canada, and Malaysia, and is being introduced in Mexico, India and Australia.

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. BV 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 seven years ago I met Sicco and Jeroen. Right from the start, I noticed their visionary leadership and their ability to understand, explain, and assist with the implementation of 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 has become the leader of the implementation of BV PIPS and where the concepts are the most widely used. Best Value Procurement/Prestatieinkoop has conquered the "naysayers" in the Netherlands! We have found that common sense and logic have no language barrier. Never before have I witnessed such a swift adoption and spreading of the philosophy!

Sicco and Jeroen are my official Dutch representatives of BV PIPS. They are the foundation of BV PIPS in the Netherlands. They are the driving force behind the Best Value Board and Dutch Certification of BV experts. Without their efforts, BV PIPS, would have remained a secret in the Netherlands. The first two editions of "Prestatieinkoop" (and the first-ever non-English books on PIPS) has been received very well. It explained why performance-based contracting is so important and showed why, what and when. In the last year, BV PIPS has been modified and the principles of the Information Measurement Theory [IMT] have transformed the BV PIPS for next generation. Jeroen and Sicco have captured all of this including their latest insights, lessons learned and best practices in the third edition.

Best value PIPS is now a Dutch idea. 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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