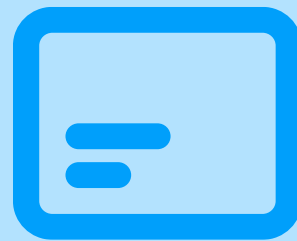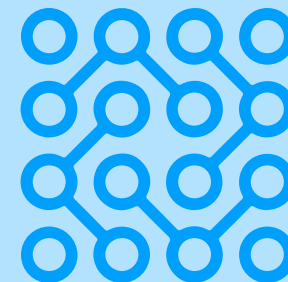GOBEYONDPROCUREMENT

BEST VALUE APPROACH AI

"Expert in the science of identifying, utilizing and automating human expertise"

DR. PASCAL EVERTZ
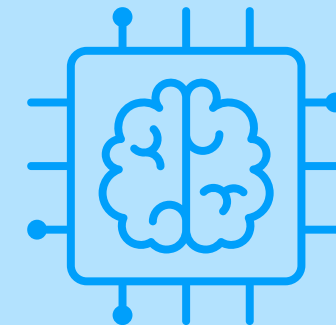
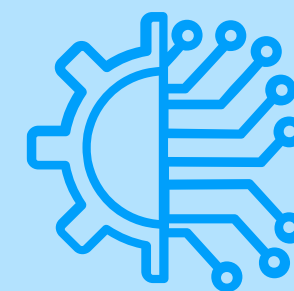# OOPS, WE HAVE A PROBLEM

LIMITED RESOURCES

COMPLEX PROJECTS

SILO THINKING

TOO MUCH FOCUS ON COSTS

POOR DECISION MAKING

NOT LOOKING INTO THE FUTURE

GoBeyond
PROCUREMENT

INDUSTRY PROJECT MANAGEMENT SUCCESS RATE

98%
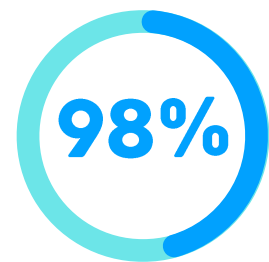
PROJECT MANAGEMENT IS IN CRISIS

Poor performance of projects with a significant percentage, maybe as high as 98.8%.

EUROPE

The cost of project failure across the European Union was €142 billion in 2004.

IT INDUSTRY

13,000 US IT projects found that only one in three were delivered on time, budget and specification. Only a half delivered all the required features. Cost overruns averaged at 43% and time over- runs were at 82%.

OTHER INDUSTRIES

The problems project management is facing and the difficulties it is going through, can be seen in many other industries.

References: The Standish Group (2014b), Shenhar (2008, p15) , Flyvbjerg et al., (2003b)

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COINCIDENCE AND LUCK OR... A MATTER OF OBSERVATION

Event

Time
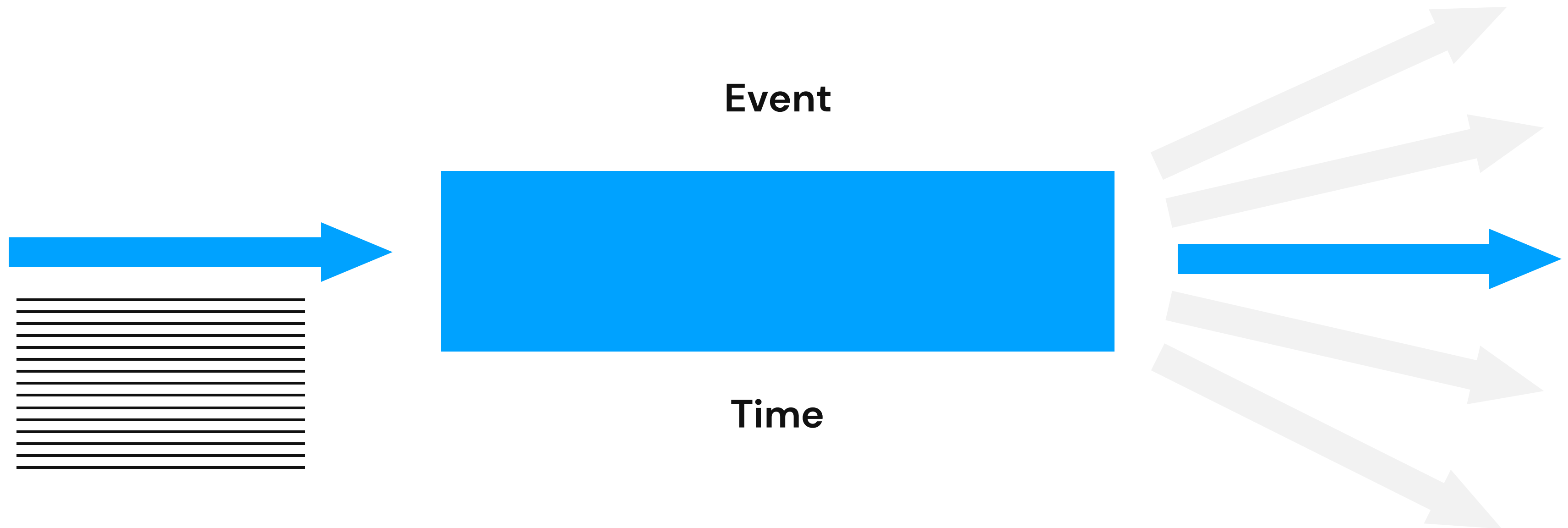
FAILURE & SUCCESS ACTIVITIES

Relationships between success and failure

Identified **Failure** Activities	Identified **Success** Activities

Project management failure

- Lack of advance planning
- Optimism bias
- Customer decision-making
- Bonus/Malus
- Technical communication

- Vendor Plan
- Project planning
- Risk management
- Transparency
- Identifying and applying expertise

Project management success

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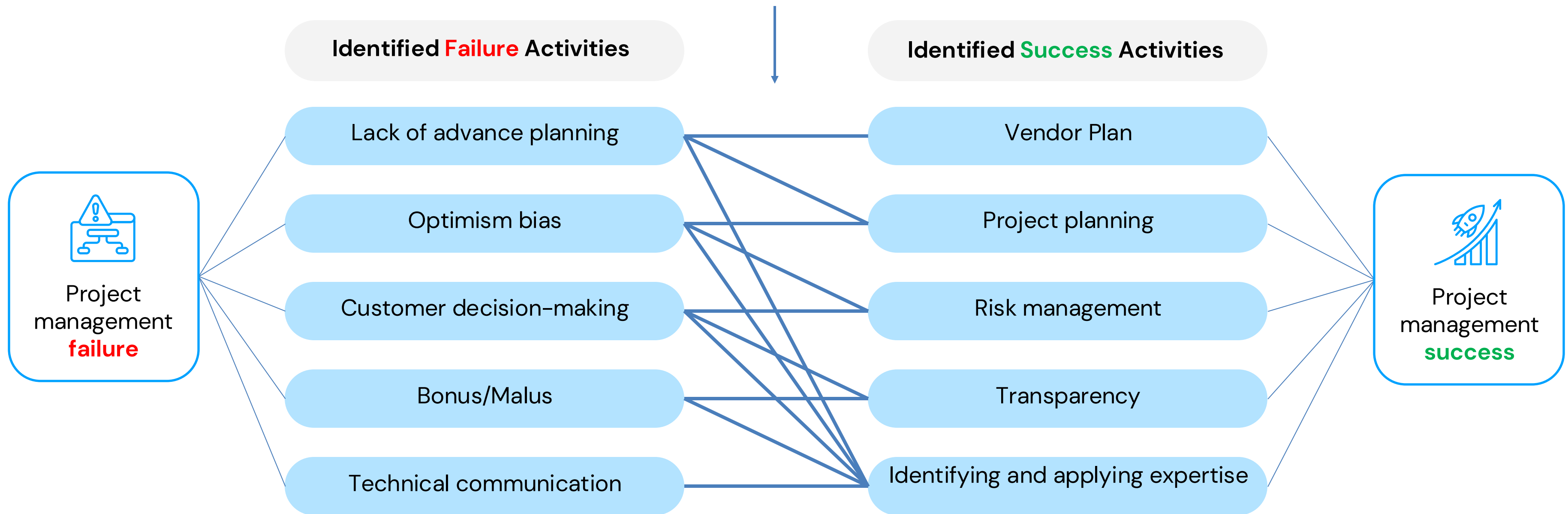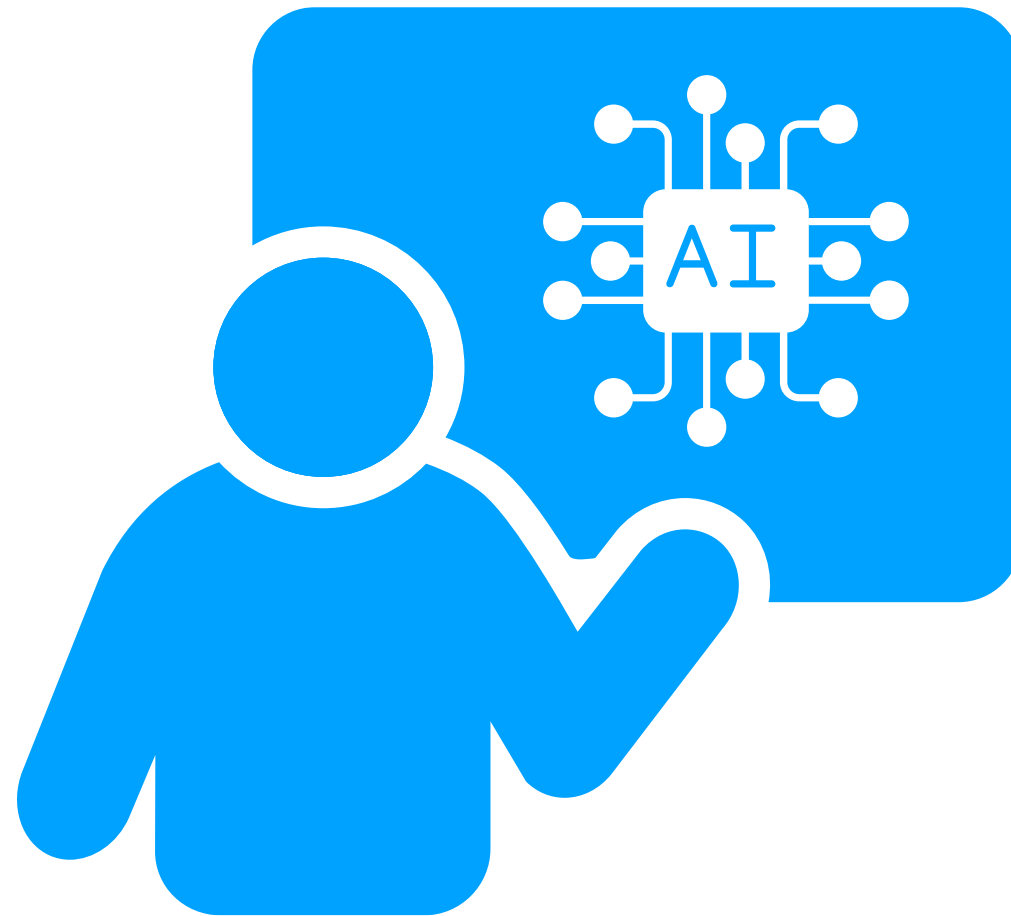
BEST VALUE APPROACH AI

"The science of identifying, utilizing & automating expertise (human intelligence)"

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PROCUREMENT

BECAUSE ALL I WANT WHEN I BUY SERVICES IS A VERY SMART PERSON **WHO CAN SEE INTO THE FUTURE**

DR. DEAN KASHIWAGI

ALL I KNOW IS THAT I KNOW NOTHING

Socrates (Athens, c. 470/469 BC – 399 BC)

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PROCUREMENT
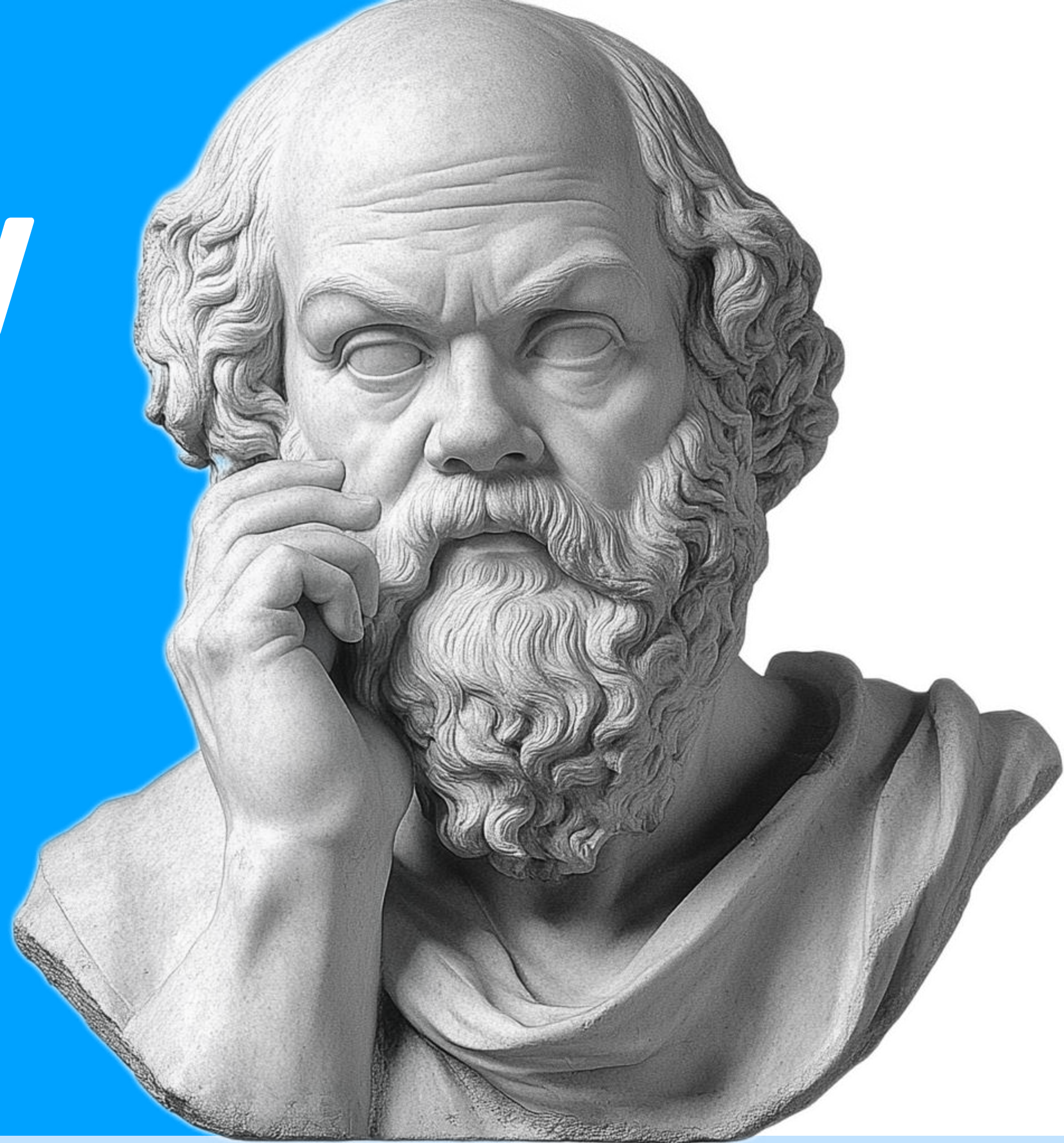
IT DOESN'T MAKE SENSE TO HIRE SMART PEOPLE AND TELL THEM WHAT TO DO; WE HIRE SMART PEOPLE SO THEY CAN

TELL US WHAT TO DO.

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PROCUREMENT
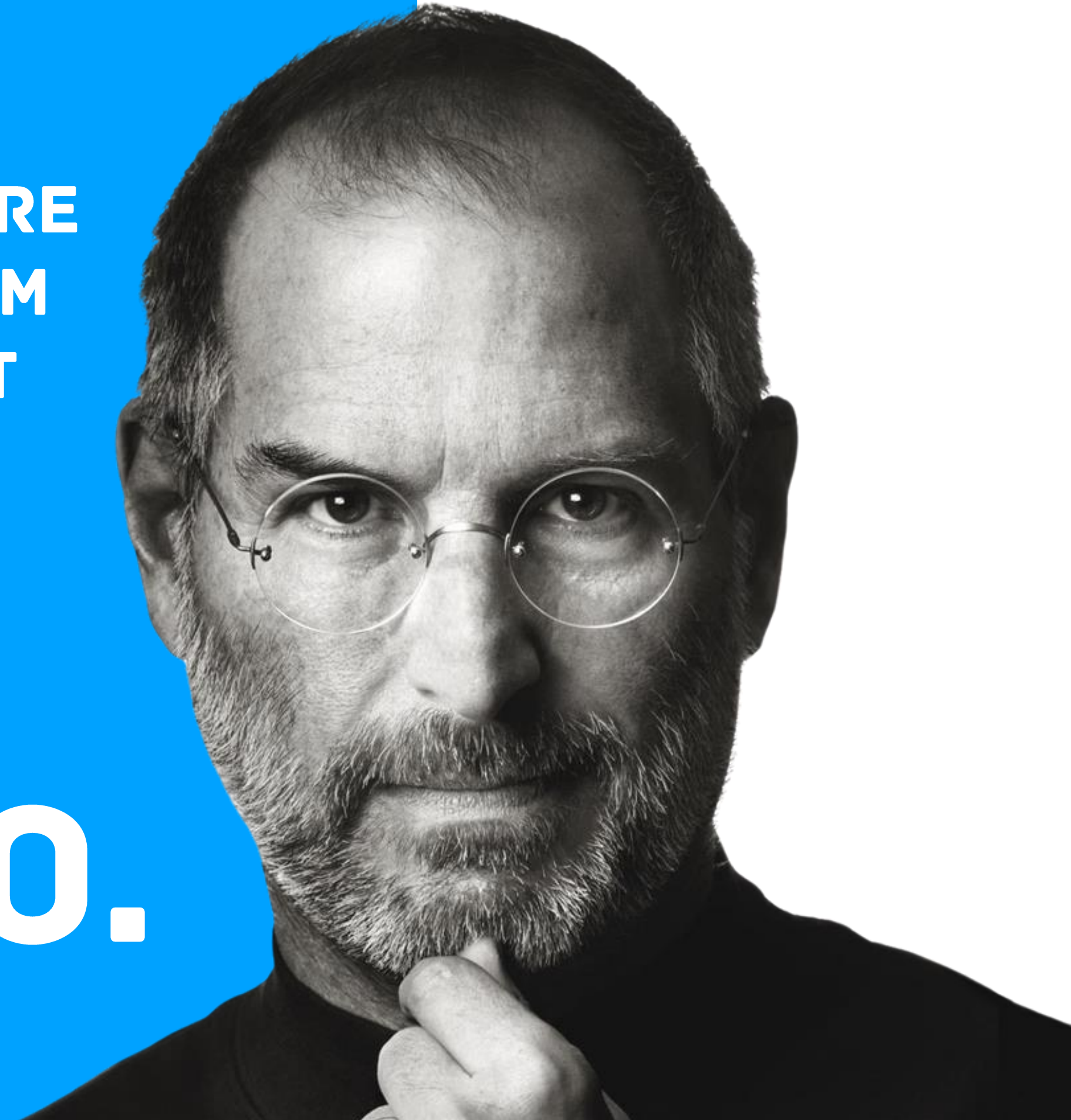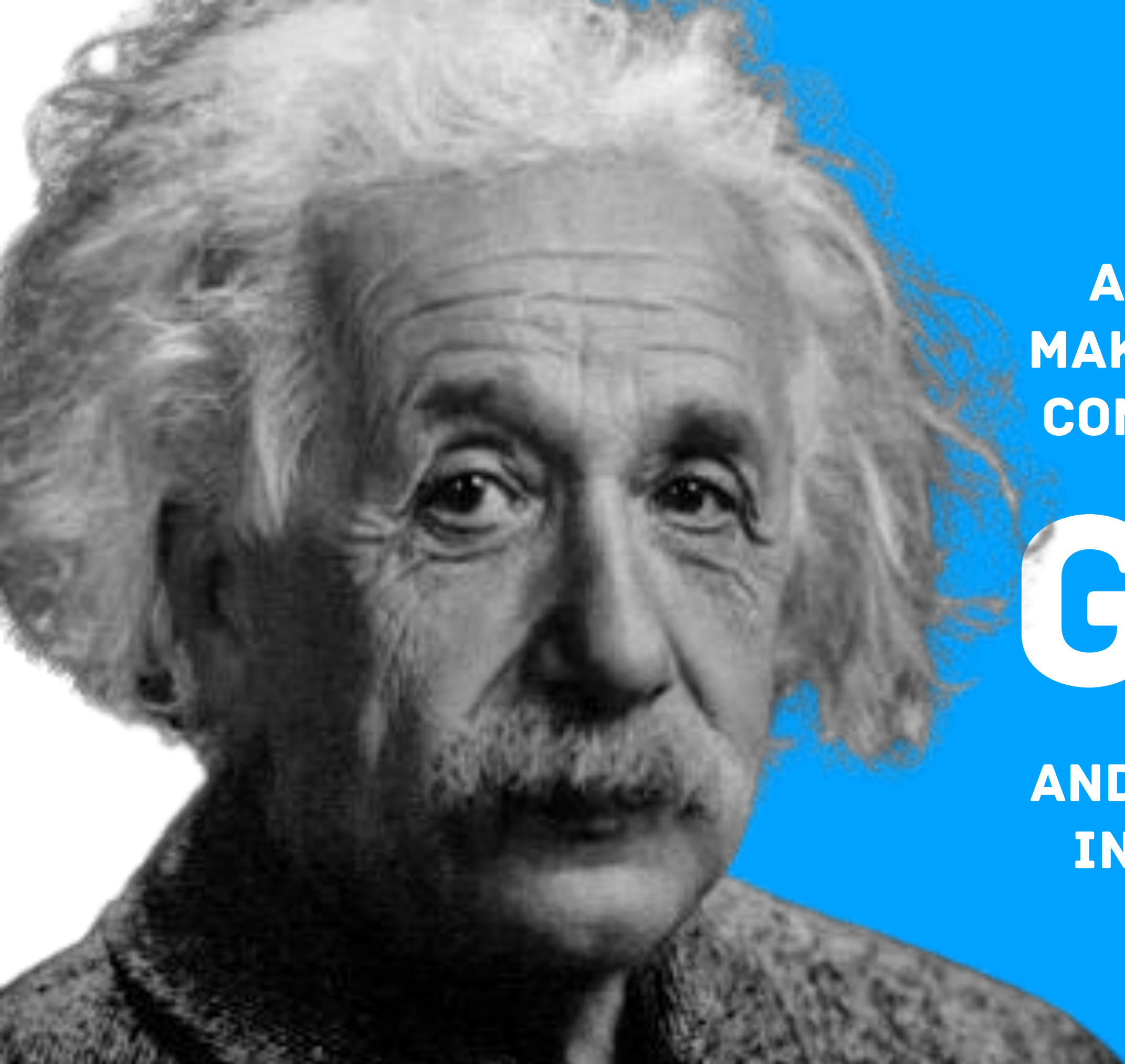
ANY INTELLIGENT FOOL CAN MAKE THINGS BIGGER AND MORE COMPLEX. IT TAKES A TOUCH OF

GENIUS

AND A LOT OF COURAGE TO MOVE IN THE OPPOSITE DIRECTION.

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PROCUREMENT

IMPACT OF MINIMUM REQUIREMENTS

CLIENTS:
"This is the **minimum quality** I want."

HIGH

Performance

MINIMUM

LOW

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PROCUREMENT

IMPACT OF MINIMUM REQUIREMENTS

CLIENTS: "This is the **minimum quality** I want."
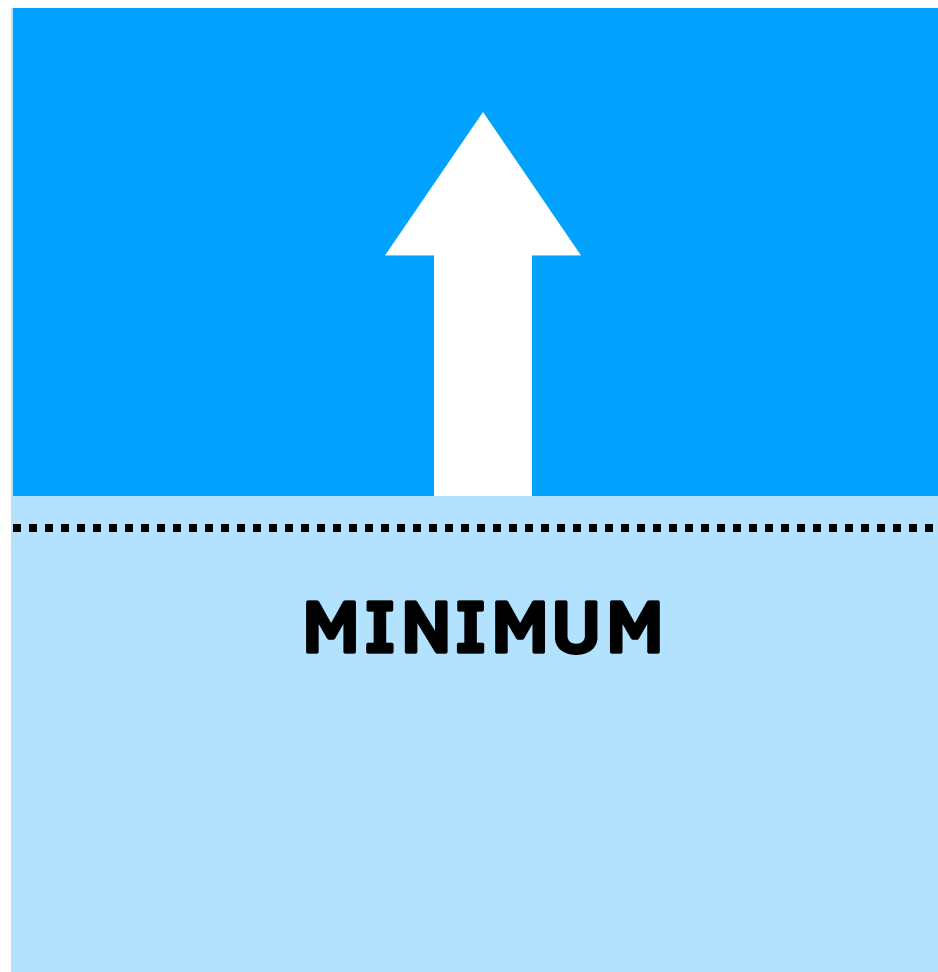
VENDORS: "This is the **maximum quality** you get."
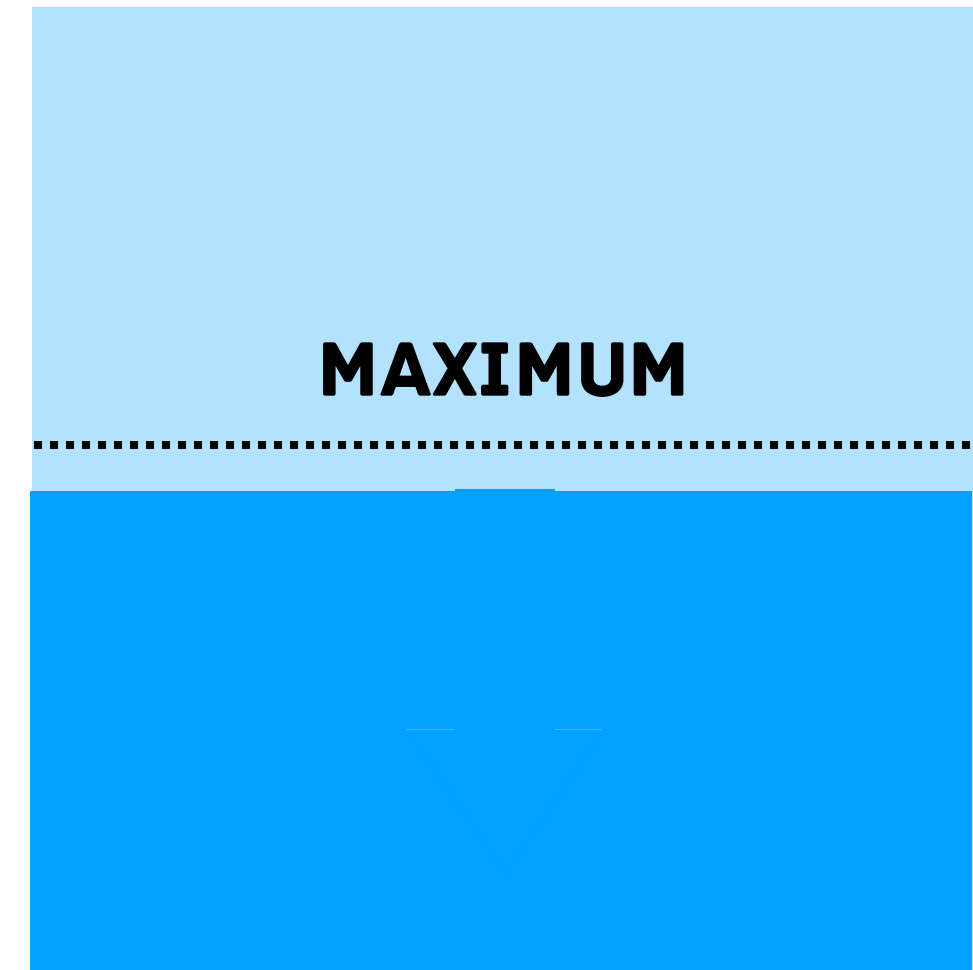
Performance — HIGH / LOW — MINIMUM

Performance — HIGH / LOW — MAXIMUM

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VENDOR PERFORMANCE AND RISK

Vendor centric procurement and its returns on performance and risks.
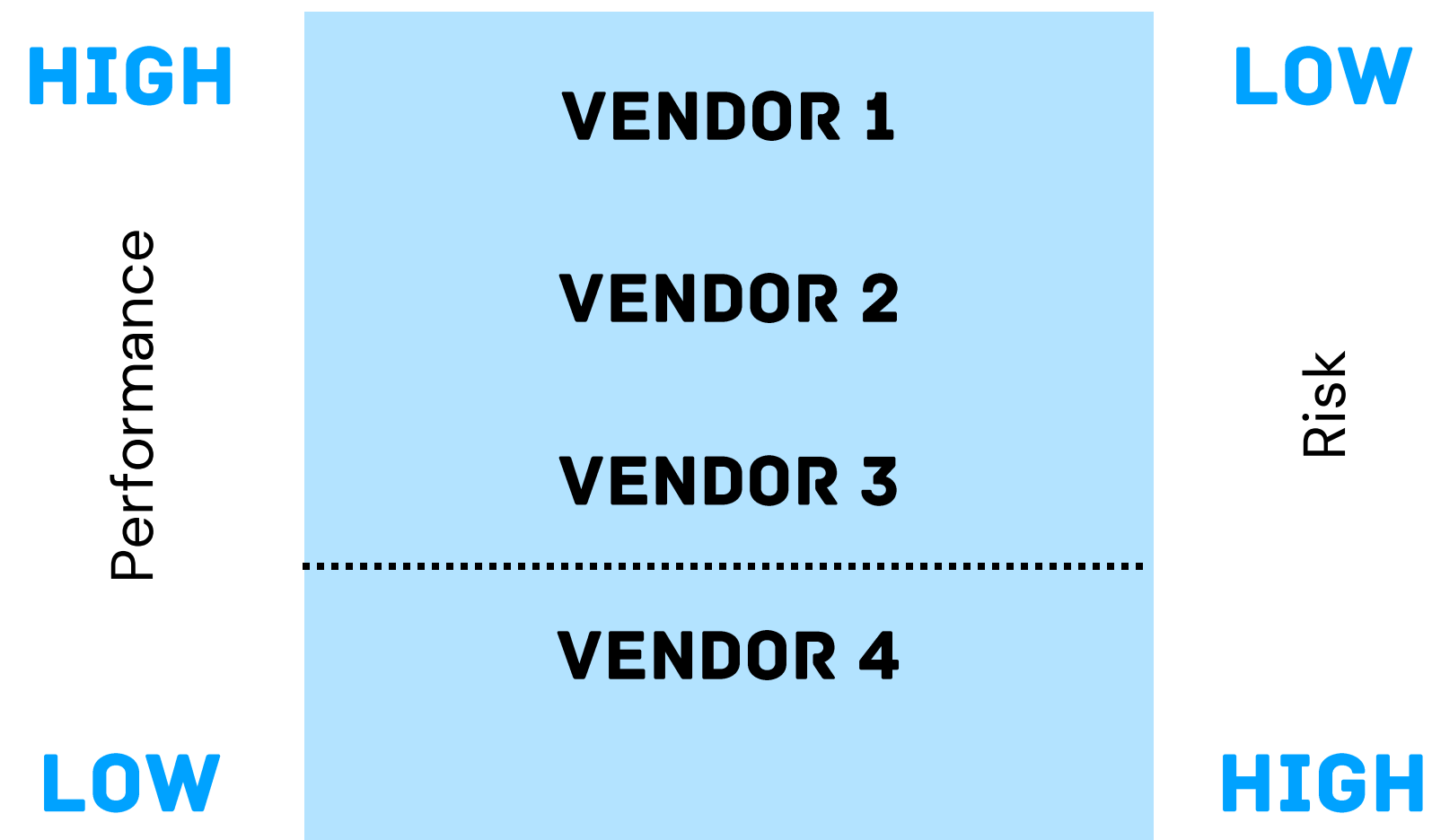
VENDOR PERFORMANCE AND RISK

Vendor centric procurement and its returns on performance and risks.
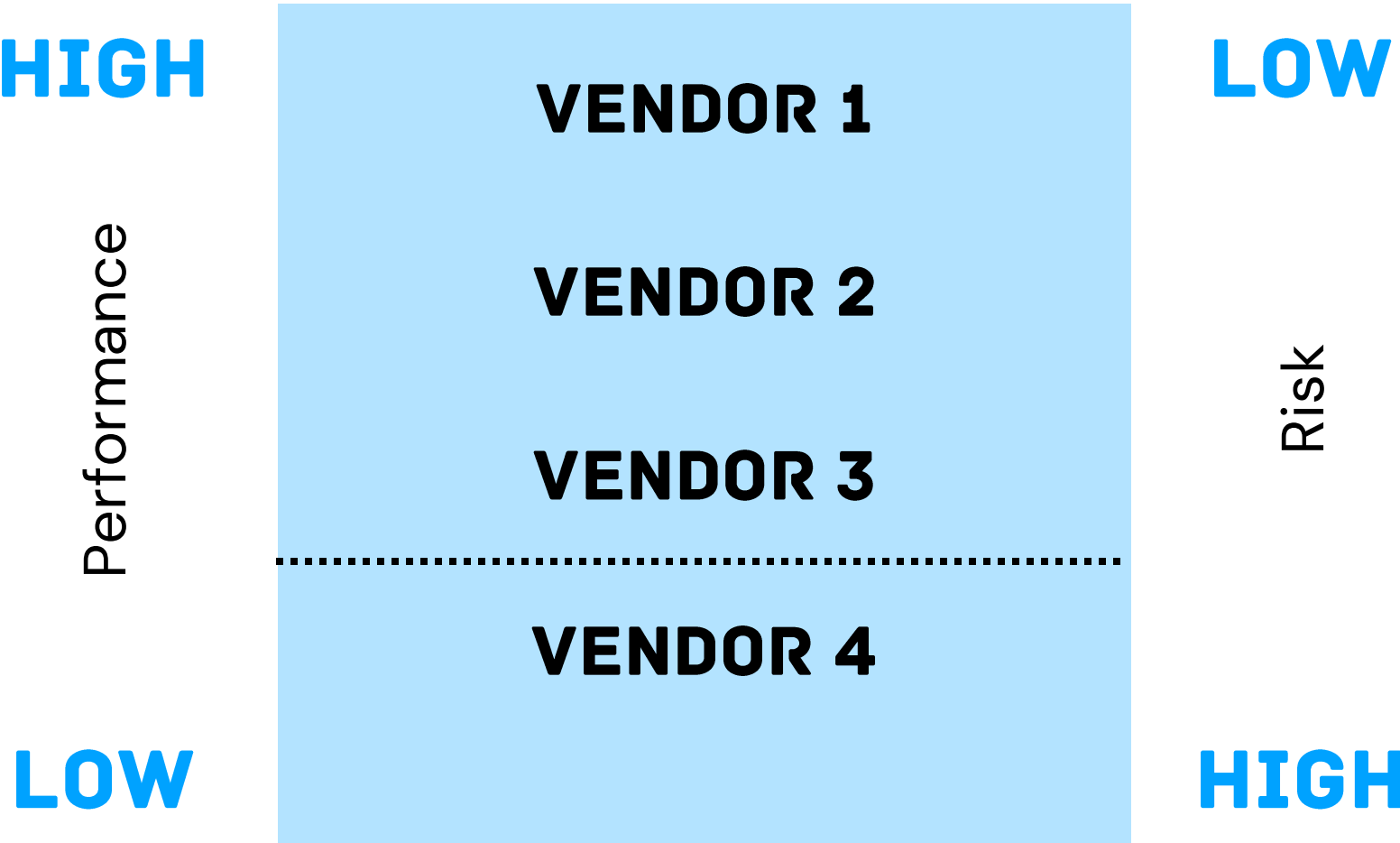
Client centric procurement and its returns on performance and risks.

HIGH		**LOW**	
	VENDOR 1		
Performance	**VENDOR 2**	Risk	
	VENDOR 3		
	VENDOR 4		
LOW		**HIGH**	

HIGH		**LOW**	
Performance	**VENDOR 1**	Risk	
	VENDOR 2		
	VENDOR 3		
	VENDOR 4		
LOW		**HIGH**	

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PROCUREMENT

Would you?
... find the cheapest Sherpa
... tell him if it can be done a little faster
... telling him which team to use

IF YOU WANT TO CLIMB MOUNT EVEREST

Would you get nervous if?

... He would ask how long the climb takes?

Wouldn't you much rather be?
... finding the best Sherpa
... getting him to ask the right questions
... let him select the best team
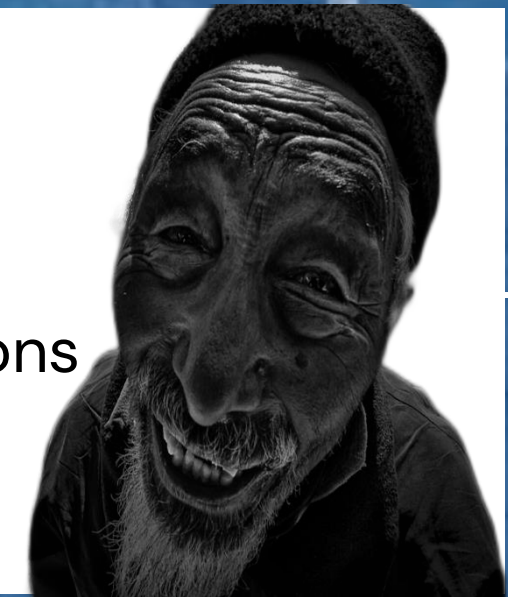
Would you get nervous if?

Would you feel better if?

... the Sherpa will use his expertise to ensure that the ascent is safe

INDUSTRY BUSINESS MODEL
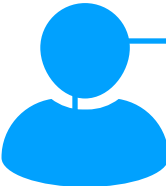
CLIENT

Outsourcing client

Partnering client

Micromanagement client

VENDOR X

Expert

Medior
(experienced)

Junior
(little experience)

GoBeyond
PROCUREMENT

INDUSTRY BUSINESS MODEL

NOT SUSTAINABLE MODEL

CLIENT

Outsourcing client

Partnering client

Micromanagement client

VENDOR X

Expert

Medior
(experienced)

Junior
(little experience)

GoBeyond
PROCUREMENT
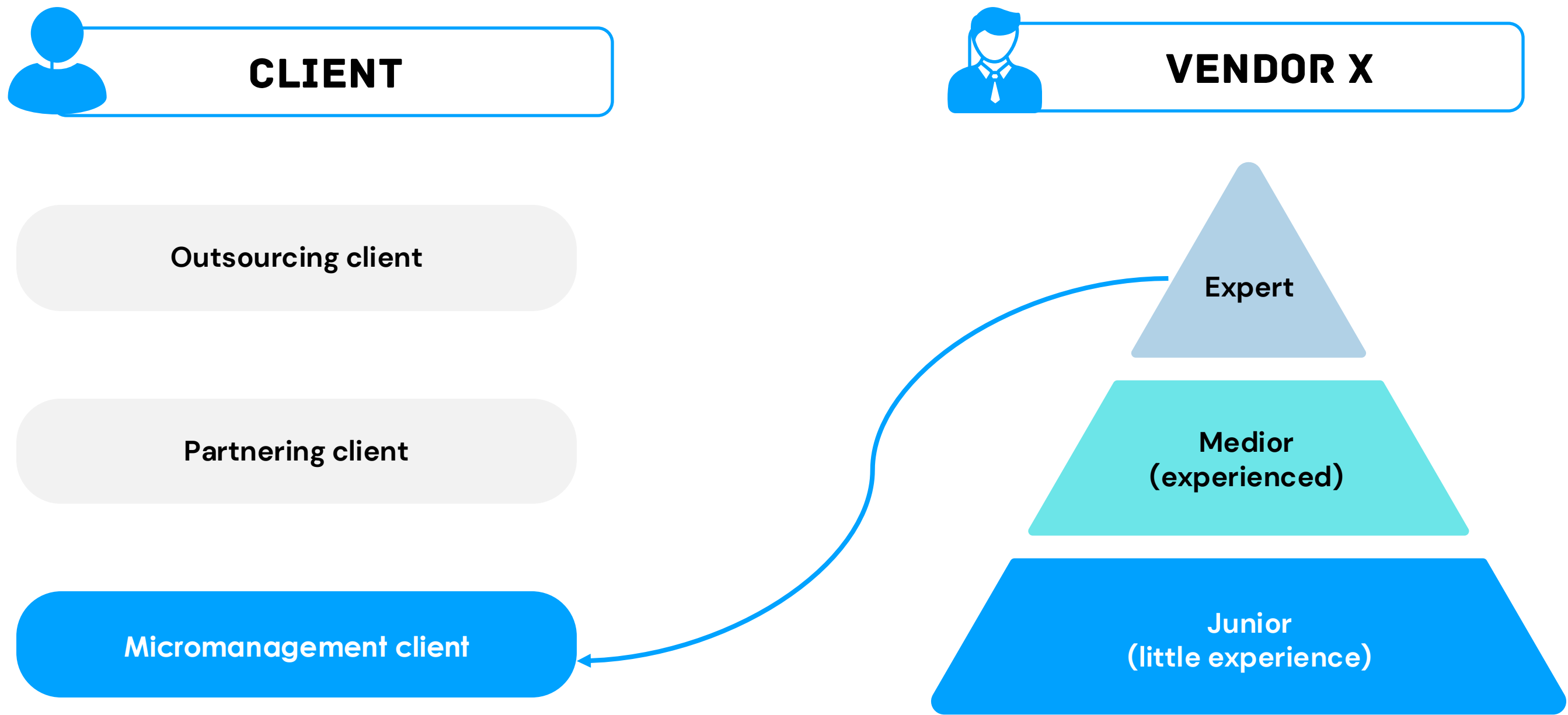
INDUSTRY BUSINESS MODEL

SUSTAINABLE MODEL

CLIENT

VENDOR X

Outsourcing client

Partnering client

Micromanagement client

Expert

Medior (experienced)

Junior (little experience)

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PROCUREMENT

VALUE

$$VALUE = \frac{\text{HUMAN EXPERTISE TO ACHIEVE OUR OBJECTIVES}}{\text{LOWEST COST}}$$

tGPT passes exams from law and business

Letters to the Editor

Aye, AI! ChatGPT passes multiple-choice family medicine exam

Stefan Morreel, Danny Mathysen & Veronique Verhoeven

Pages 665-666 | Published online: 11 Mar 2023

66 Cite this article   https://doi.org/10.1080/0142159X.2023.2187684

Check for updates

AI-chipreus Nvidia

2023, 09:56

Treatment AI Passes Medical School Exam with 92% Success Rate

reatment.com AI Inc.   Follow

ChatGPT Passes CFA Exam
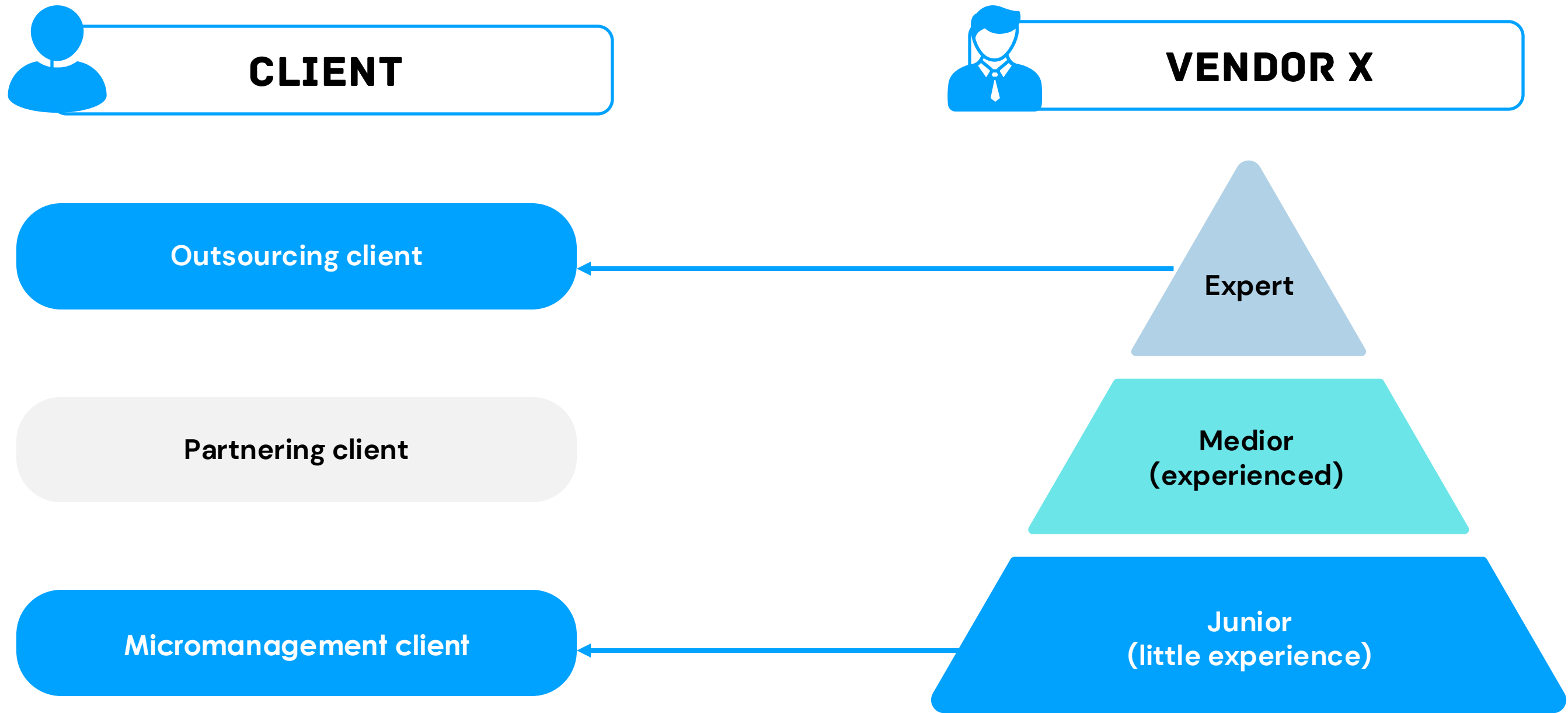on Second A
Coming For

NEWS

ChatGPT Passes US Medical Licensing Exam Without Clinician Input

ChatGPT achieved 60 percent accuracy on the US Medical Licensing Exam, indicating its potential in advancing artificial intelligence-assisted medical education.

By Shania Kennedy, Assistant Editor

Published: 14 Feb 2023

Speci

AI Passes U.S. Me

on Bar Exam

AI-chatbot van Google haal voldoende in zwaar examen geneeskunde

TECH

GPT-4 can ace the bar, but it only has a decent chance of passing the CFA exams. Here's a list of difficult exams the ChatGPT and GPT-4 have passed.

Lakshmi Varanasi   Updated Nov 5, 2023, 11:47 PM CET

Share   Save

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Definition

"AUTOMATION IS A SYSTEM THAT PERFORMS (PARTIAL OR COMPLETELY) A FUNCTION THAT WAS PREVIOUSLY PERFORMED OR COULD BE PERFORMED (PARTIAL OR COMPLETELY) BY A HUMAN OPERATOR."

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EVERY PERSON LEARNS AT A DIFFERENT PACE

Circle of learning:

Perceive

Process

Change

Apply
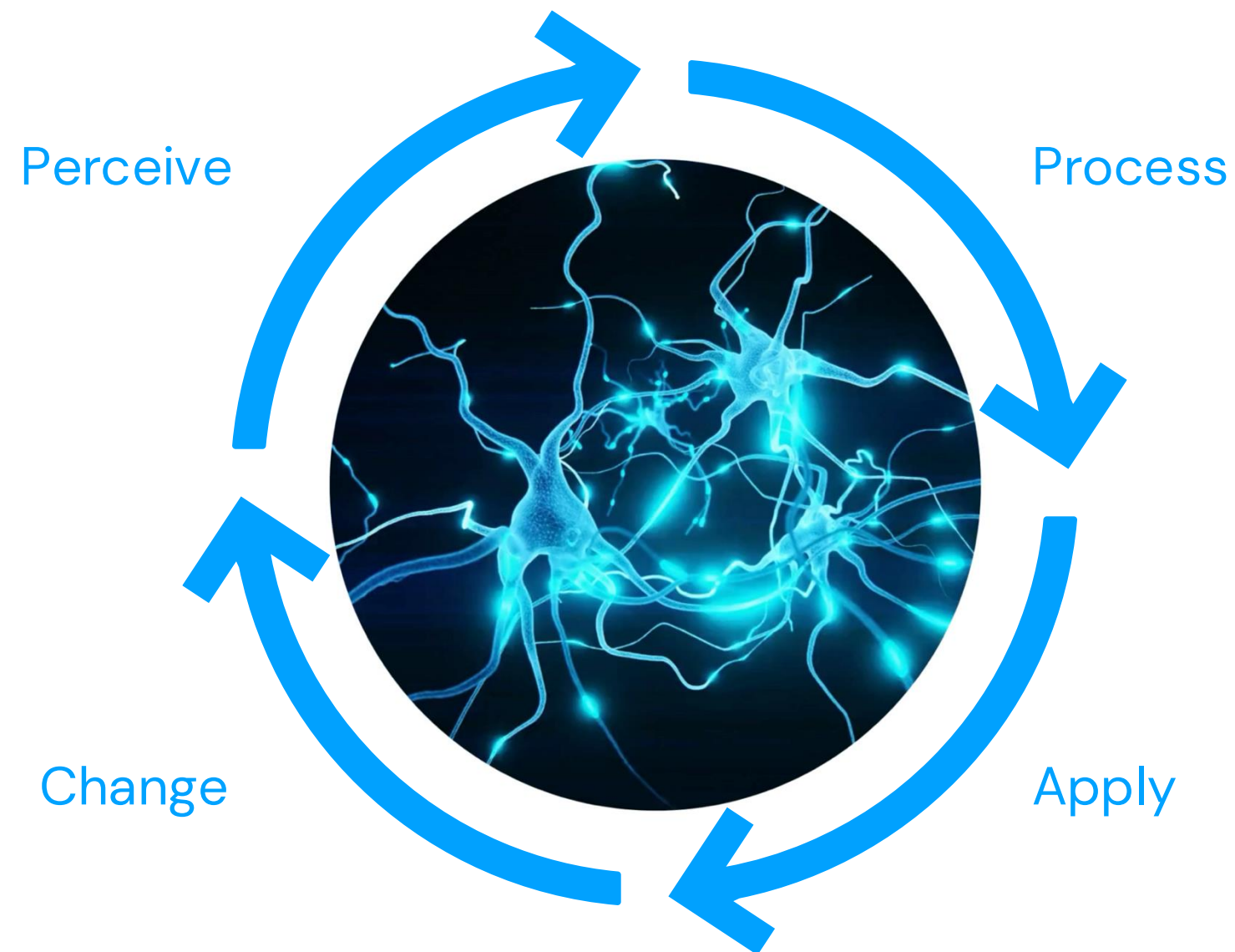
Amount of information retained over time:

100%

0%

Amount of information

A

B

C

Time
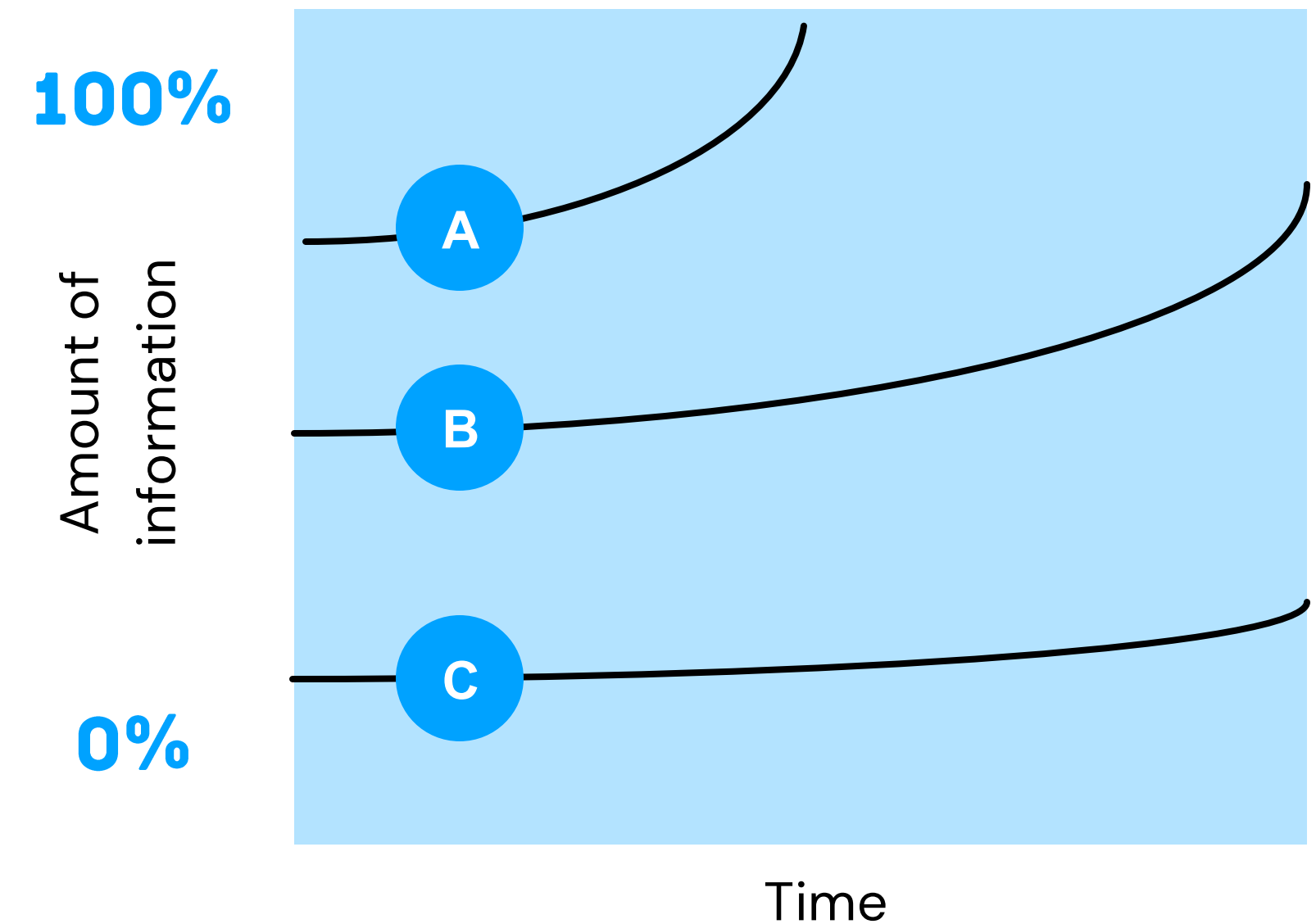
IMPACT AI ON PROCUREMENT PROCESS

MORE OR LESS

- Data (metrics)

- Communication

- Transparency

- Relationships

- Mimimum requirements

- Thick contracts

- Efficiency

- Decision making

- Trust

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ULTIMATELY, WHEN THE ENVIRONMENT IS CONDUCIVE, EVERYBODY WINS.

Save 10–30% of your costs!

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BEST VALUE APPROACH AI – FOUR PHASES

REFERENCE CHECK

CONTRACT AWARD

PREPARATION

RFP development

Pre–bid meeting

Education of stakeholders and vendors

SELECTION

Selection based on expertise

Selection criteria:
- **Scope/level of expertise**
- **Value added assessment**
- **Interview**
- **Price**
- Risk mitigation (not rated)
- Milestone planning (not rated)

ALL VENDORS

CLARIFICATION

BVA vendor clarification of their RMP
- Detailed schedule/nontechnical milestone (RACI)

Project management by BVA vendor

ONE VENDOR

EXECUTION

Vendor tracks performance and mitigates risk (Vendor proposal form RFP)

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PERFORMANCE METRICS (BVA AI)

LEVEL OF EXPERTISE / SCOPE, WHICH ONE A, B, C

#	Description	Client Scope / metrics	BUYER			Ref. nr.
			A	B	C	
1	# procurement projects	6	3	10	4	
2	Average time in days to execute RFP	20 days	50	18	-	
3	Documentation completed (% based on internal audit)	100%	70%	100%	90%	
4	Negotiations results (%)	10%	-	15	10	
5	Average Client Satisfaction (1 low – 10 high)	8	7	8.5	-	
6	Average Vendor Satisfaction (1 low – 10 high)	8	4	8	-	

WHY WE USE PERFORMANCE DATA (METRICS)

- Simple

- Everybody understands

- Accuracy

- Minimizes the need for decision making

- Predicts the future

- Differentiates vendors

- Creates transparency

- Require clients to know less, think less, and make little to no decision

- Shows expertise
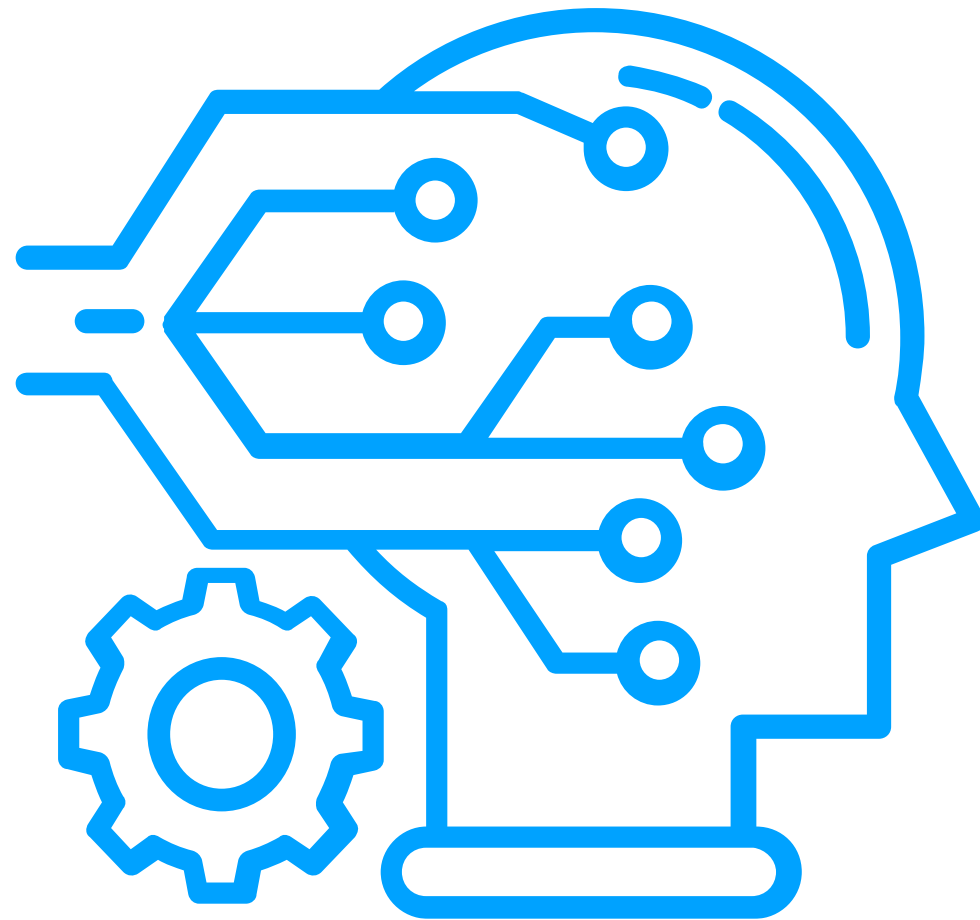
RESEARCH &
USE CASES

CLIENT METRICS TRADITIONAL VS BEST VALUE AI

#	Criteria	Unit	Traditional Procurement	BEST VALUE	% Difference
1	The process **minimizes the time** it takes to deliver the project/service	1 - 10	5.0	9.0	80%
2	The process forces the supplier to pre-plan and identify and **minimize risks before the project begins**	1 - 10	5.8	8.8	53%
3	The process is **simple and easy** to implement	1 - 10	5.8	8.2	43%
4	The process is efficient (minimizes cost, time, and effort)	1 - 10	4.8	8.8	85%
5	The process identifies the highest performing and lowest costing	1 - 10	7.3	8.6	19%
6	The process minimizes risk to the client	1 - 10	7.5	9.0	20%
7	**Overall satisfaction** with the process	1 - 10	5.5	8.8	**61%**

Client project evaluation Data centre decommissioning (May 2022, N=6)

GoBeyond
PROCUREMENT

CLIENT METRICS TRADITIONAL VS BEST VALUE AI

#	Criteria	Unit	Traditional Procurement	BEST VALUE	% Difference
1	The process **minimizes the time** it takes to deliver the project/service	1 - 10	5,0	7.0	56%
2	The process forces the supplier to pre-plan and identify and **minimize risks before the project begins**	1 - 10	2,0	9,0	330%
3	The process is **simple and easy** to implement	1 - 10	5,0	8,0	69%
4	The process is efficient (minimizes cost, time, and effort)	1 - 10	4,0	8,0	90%
5	The process identifies the highest performing and lowest costing	1 - 10	5,0	8,0	56%
6	The process minimizes risk to the client	1 - 10	4.0	8,0	100%
7	**Overall satisfaction** with the process	1 - 10	**5,0**	**8,0**	**66%**

Client project evaluation Medical Bucky's project (December 2022, N=5)

GoBeyond
PROCUREMENT

CLIENT METRICS TRADITIONAL VS BEST VALUE AI

#	Criteria	Unit	Traditional Procurement	BEST VALUE	% Difference
1	The process **minimizes the time** it takes to deliver the project/service	1 - 10	4,3	8,4	98%
2	The process forces the supplier to pre-plan and identify and **minimize risks before the project begins**	1 - 10	5,3	8,6	64%
3	The process is **simple and easy** to implement	1 - 10	4,8	8,4	77%
4	The process is efficient (minimizes cost, time, and effort)	1 - 10	4,0	9,0	125%
5	The process identifies the highest performing and lowest costing	1 - 10	5,8	7,0	22%
6	The process **minimizes risk** to the client	1 - 10	5,8	7,8	36%
7	**Overall satisfaction** with the process	1 - 10	6,0	8,4	**40%**

Client project evaluation Crew Horizon (May 2025, N=6)

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PROCUREMENT

CLIENT METRICS TRADITIONAL VS BEST VALUE AI

#	Criteria	Unit	Traditional Procurement	BEST VALUE	% Difference
1	The process **minimizes the time** it takes to deliver the project/service	1 - 10	3.5	9.0	157%
2	The process forces the supplier to pre-plan and identify and **minimize risks before the project begins**	1 - 10	4.0	8.7	117%
3	The process is **simple and easy** to implement	1 - 10	3.5	8.7	148%
4	The process is efficient (minimizes cost, time, and effort)	1 - 10	5.0	9.0	80%
5	The process identifies the highest performing and lowest costing	1 - 10	7.5	7.7	2%
6	The process minimizes risk to the client	1 - 10	6.0	7.7	28%
7	**Overall satisfaction** with the process	1 - 10	5.5	9.7	**76%**

Client project evaluation Housing renovation project 240 apartments (September 2024, N=3)

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PROCUREMENT

CLIENT METRICS TRADITIONAL VS BEST VALUE AI

#	Criteria	Unit	Traditional Procurement	BEST VALUE AI	% Difference
1	The process **minimizes the time** it takes to deliver the project/service	1 - 10	4,0	8,6	115%
2	The process forces the supplier to pre-plan and identify and **minimize risks before the project begins**	1 - 10	5,0	9,0	80%
3	The process is **simple and easy** to implement	1 - 10	4,5	8,8	96%
4	The process is efficient (minimizes cost, time, and effort)	1 - 10	4,3	8,8	103%
5	The process identifies the highest performing and lowest costing	1 - 10	5,3	9,0	69%
6	The process minimizes risk to the client	1 - 10	5,3	8,6	61%
7	**Overall satisfaction** with the process	1 - 10	4,8	9,2	**93%**

Client project evaluation DISCS (September 2025, N=6)

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CLIENT METRICS TRADITIONAL VS BEST VALUE AI

#	Criteria	Unit	Traditional Procurement	BEST VALUE AI	% Difference
1	The process **minimizes the time** it takes to deliver the project/service	1 - 10	5,0	8,5	70%
2	The process forces the supplier to pre-plan and identify and **minimize risks before the project begins**	1 - 10	5,0	8,5	70%
3	The process is **simple and easy** to implement	1 - 10	4,0	8,5	113%
4	The process is efficient (minimizes cost, time, and effort)	1 - 10	4,0	8,5	113%
5	The process identifies the highest performing and lowest costing	1 - 10	5,0	8,5	70%
6	The process minimizes risk to the client	1 - 10	4,0	8,0	100%
7	**Overall satisfaction** with the process	1 - 10	4,0	9,5	**138%**

Client project evaluation SAFe BZK (September 2025, N=4)
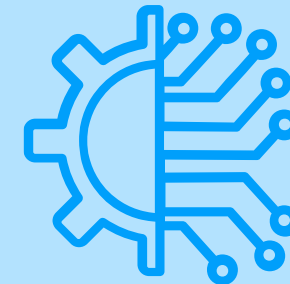
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LEARNING OBJECTIVES ACHIEVED?
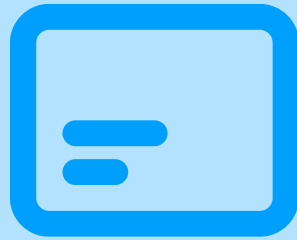
HOW TO INCREASE PRODUCTIVITY
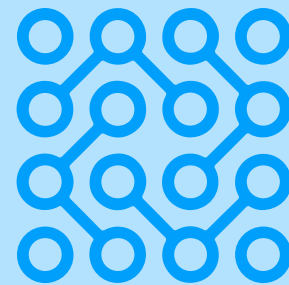
PREDICT PROJECT SUCCESS

USE PERFORMANCE METRICS

CREATE VALUE

AVOID POOR DECISION MAKING

BE A VISIONARY

GoBeyond
PROCUREMENT
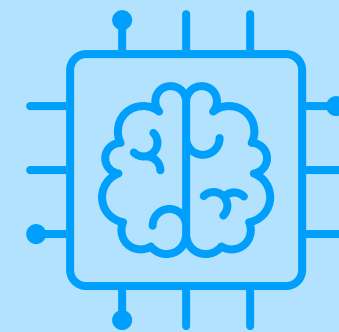
PEOPLE LOVE SHOOTING DOWN NEW IDEAS

SUMMARY

PROCUREMENT PROFESSIONAL OF THE FUTURE

BEST VALUE AI APPROACH

- Win–win

- Initial conditions (**observation**)

- Identify und utilizise expertise

- To measure is to know (**data**)

- Transparency (**performance metrics**)

TRADITIONAL PROCUREMENT

- Win–lose

- Surprises (**financial**)

- Micromanagement

- No transparency

- Relationship and trust

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The Ebbinghaus Forgetting Curve
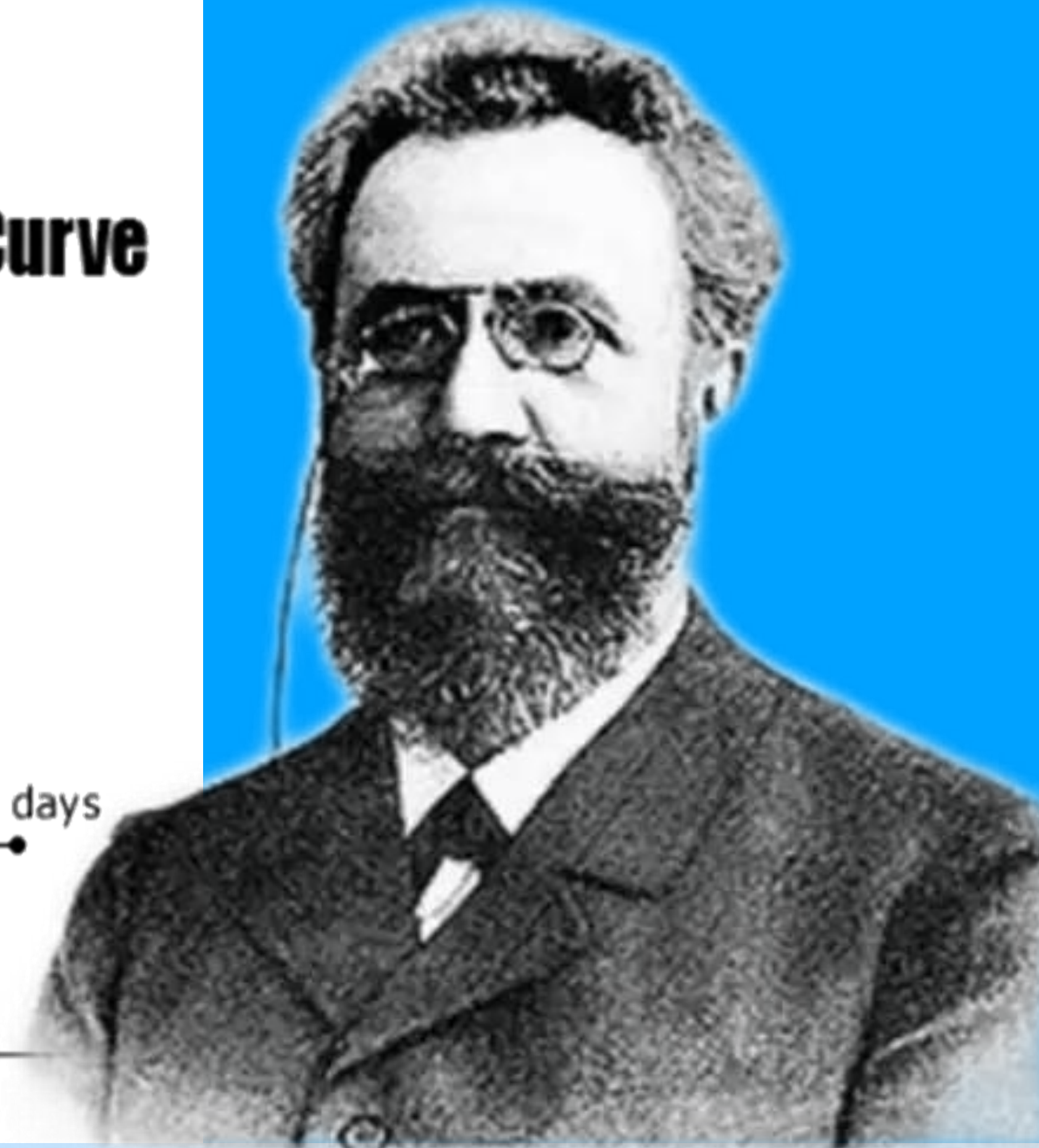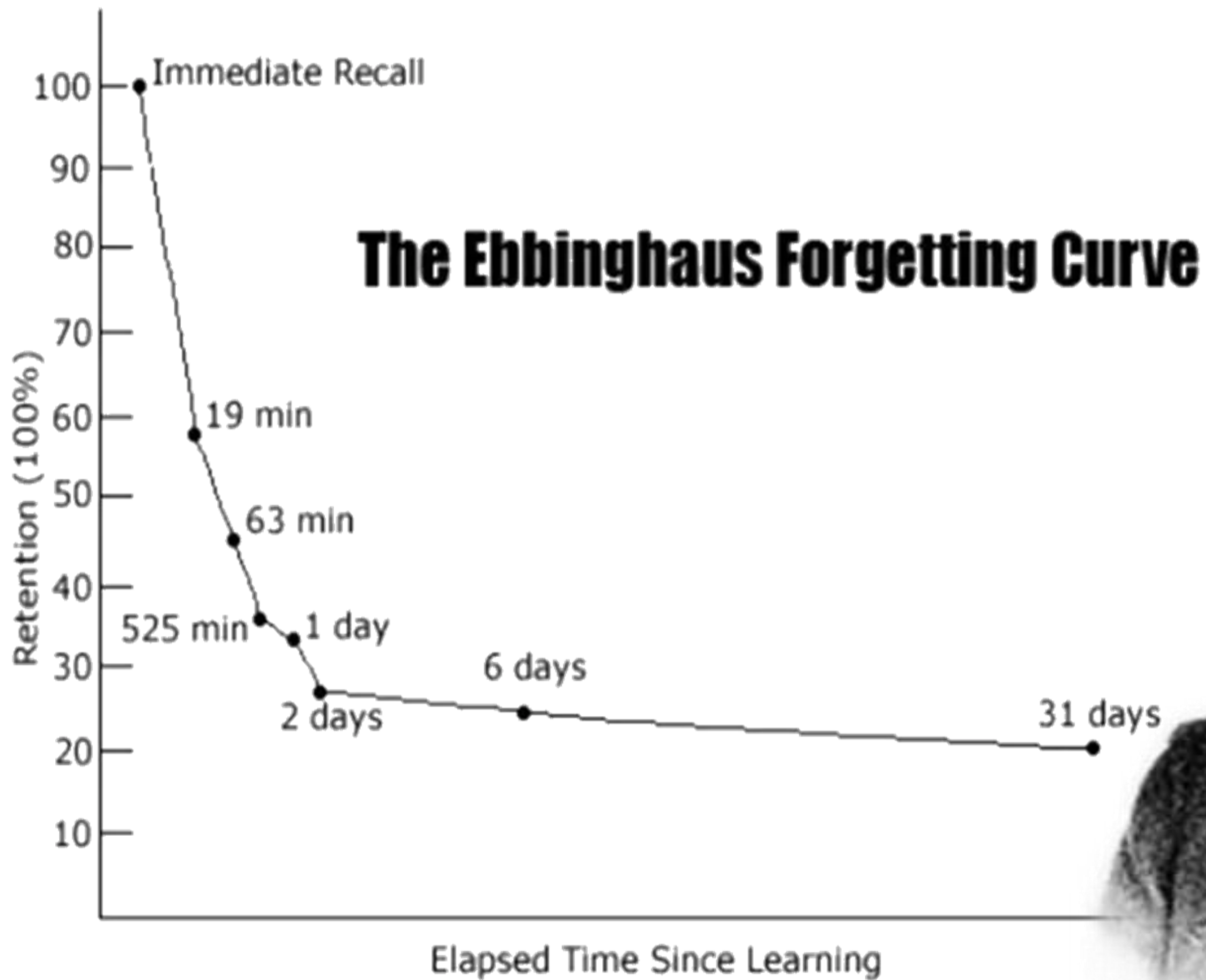
BEST WAYS OF LEARNING

- We learn 10% of what we read

- We learn 20% of what we hear

- We learn 30% of what we see

- We learn 50% of what we see and hear

- **We learn 70% of what we discuss**

- **We learn 80% of what we experience**

- **We learn 90% of what we practice**

- **We learn 95% of what we teach others**
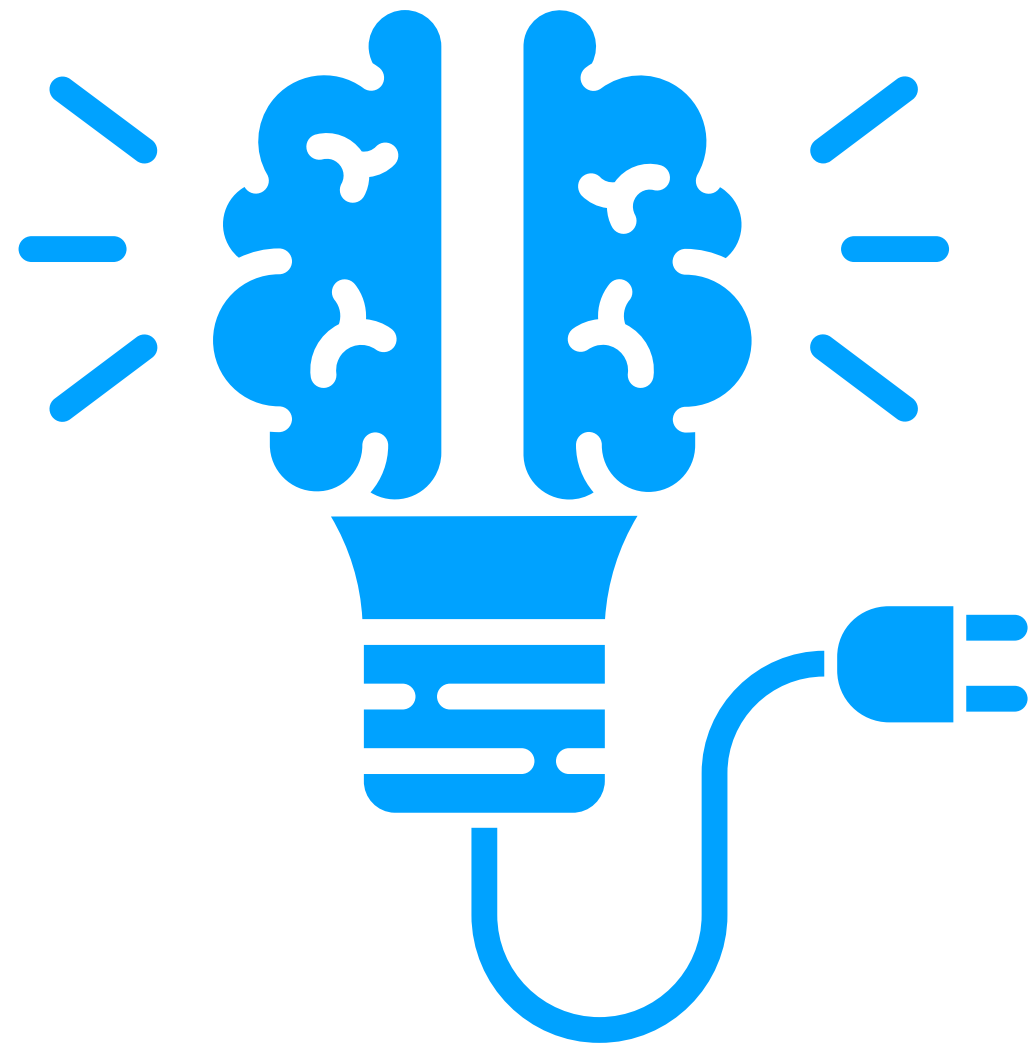
Q & A

GET IN TOUCH TODAY

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PROCUREMENT

✉ pascal@gobeyondprocurement.com

in GoBeyondProcurement

🌐 https://www.gobeyondprocurement.com/