BOARD OF DIRECTORS

Agenda Item 7

Innovation Committee
Willie Spears, Chairman

February 13, 2013

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February 6, 2013

Innovation Committee Meeting

AGENDA

Notice is hereby given of a regular meeting of the Innovation Committee to be held on **Wednesday, February 13, 2013 at 12:00 P.M.,** Louisiana Housing Corporation Building**, Committee Room 1**, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

1.   Call to Order and Roll Call.

2.   Approval of the Minutes of the December 12, 2012 Committee Meeting.

3.   Discussion with Monica Cooper from Bunge North American Corporation regarding Continuous Improvement and Lean Sigma Process Overview.

4.   Other Business.

5.   Adjournment.

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Don J. Hutchinson
LHC Interim Executive Director

If you require special services or accommodations, please contact Board Coordinator and Secretary Barry E. Brooks at (225) 763 8773, or via email bbrooks@lhc.la.gov.

Pursuant to the provisions of LSA-R.S. 42:16, upon two-thirds vote of the members present, the Board of Directors of the Louisiana Housing Corporation may choose to enter executive session, and by this notice, the Board reserves its right to go into executive session, as provided by law.

Louisiana Housing Corporation
Innovation Committee Meeting Minutes
Wednesday, December 12, 2012
Committee Room # 2
10:25 a.m.

Board Members Present

Mr. Willie Spears
Mr. Michael Airhart
Mr. Matthew P. Ritchie
Ms. Ellen M. Lee
Mr. Malcolm Young
Mr. Mayson H. Foster

Board Members Absent
Treasurer John N. Kennedy
Mr. Guy T. Williams Jr.
Dr. Daryl Burckel
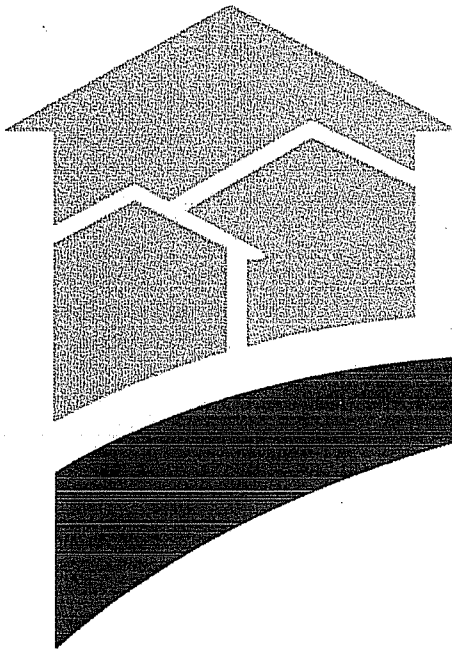
Staff Present
Keith Cunningham
Jessica Guinn

Others Present

Call to Order and Roll Call. The Innovation Committee was called to order by Chairman Willie Spears at 10:25 a.m. Ms. Patricia Hampton called the roll; there was a quorum.

Introduction of the Innovation Committee. Chairman welcomed everyone to the new Innovation Committee. He stated that the committee would focus on improving efficiency, productivity, and promptness as it relates to the Corporation's products, services, and technology. The overall goal of the committee would be to do a better job of providing housing services to the people of the State of Louisiana. The Chairman then opened the floor for comments.

Board Chairman Michael Airhart said that he asked Mr. Spears to chair the Innovation Committee during the Board's strategic planning sessions. Because of the changes in the housing finance industry and cuts to federal housing programs, it has become important that the Board think of innovative ways to provide its products and services.

Adjournment. There being no further business, the meeting adjourned at 10:32 a.m.

LOUISIANA HOUSING CORPORATION

INNOVATION COMMITTEE MEETING

WEDNESDAY, December 12, 2012 @ 10:20AM-10:40AM – CR2

Guest Sign-In Sheet

GUEST NAME	FIRM

PLEASE, PLEASE PRINT

#	GUEST NAME	FIRM
1.	Pat Haughy	LHA
2.	Shorri Jackson	RSC M
3.	Charlotte Bourgeois	LA AHP
4.	Kelly Longwer	Coato Roe
5.	Gary E. Williams	Hope Enterprise Corp

Continuous Improvement and Lean Sigma Process Overview

Today's Safety Tip

Don't drag your cold or flu to work

Visit [WWW.flu.gov](WWW.flu.gov) for information

- Types of flu vaccines
- Who should get the vaccine

Continuous Improvement Journey

BUNGE

Agenda for Today

- Bunge Corporation
- Safety and the link to productivity
- Principles of Lean Sigma
- Kaizen Process
- Kaizen Elements

BUNGE

Bunge Corporation

- Worldwide food & feed supplier
- Destrehan, La

Continuous Improvement Journey

BUNGE

Productivity Improvement Is A World-Wide Initiative For Bunge

- All Bunge Operating Companies Are Challenged To Improve Productivity
- Bunge Operations Have Been Involved In Lean Sigma Initiatives -2007
  - KPI's are clear indicators that Lean Sigma tools work in Bunge operations
  - Lean Sigma employs tools through "kaizen" events – team based rapid improvement events
  - Problem solving approach that will use common tools and facilitate communication

Continuous Improvement Journey

BUNGE

Safety is Foundational to Overall Organizational Performance

Business Results

Quality

Production

Innovation

Engagement

Safety / Security

Continuous Improvement Journey

BUNGE

Visual Management

TPM

Standard Work

Safety

Flow

Continuous Improvement
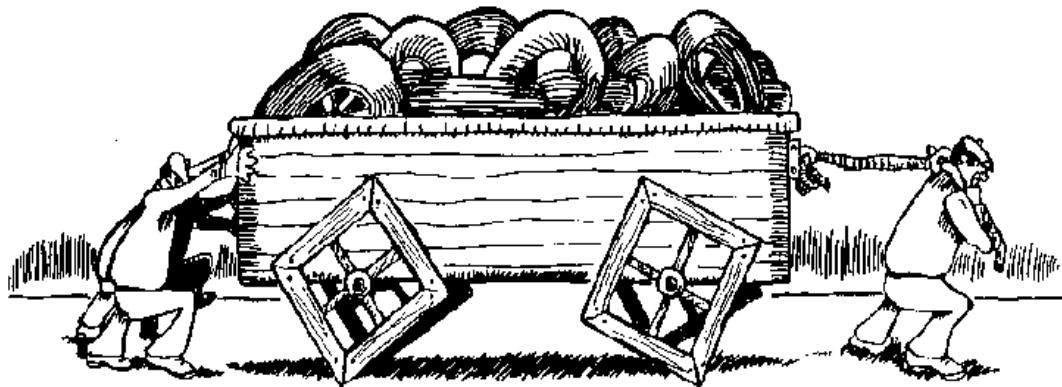Lean Sigma

Kaizen

5S

Problem Solving

Root Cause Analysis

8 Wastes

Innovation-13

BUNGE

What is Lean Sigma?

Lean Sigma Transformation

- Lead time reduction to improve responsiveness.

- Achieving improvements in safety, quality, cost and delivery.

- Eliminating wastes throughout the value chain from order to cash.

- Build a continuous improvement culture to:
  - sustain the gains
  - pursue new opportunities
  - raise the bar

Lean Sigma Culture

- Continuous improvement focus that never ends

- Bias for action

- Simplicity over complexity

- Implementation of Standard work

- Creativity before capital

- Total employee involvement

Continuous Improvement Journey

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Lean Thinking Principles

- Define value from customer perspective
- Identify the value stream
- Eliminate waste
- Flow the process
- Pull the product
- Engage (Involve & empower) employees
- Pursue to perfection

Lean Manufacturing is the endless pursuit of eliminating waste … anything that adds cost, but not value

Eight Deadly Wastes

- **T**ransportation … people, materials, and parts

- **I**nventory … WIP/spare parts (right/right amount)

- **M**otion … loading/unloading, multiple trips

- **W**aiting … materials, service or parts … people idle

- **O**ver Processing … unnecessary steps/approvals

- **O**ver Production … overproducing/overhauling

- **D**efects/Correction/Rework …quality/completeness

- **S**taff Ideas – employee experience, input and innovations
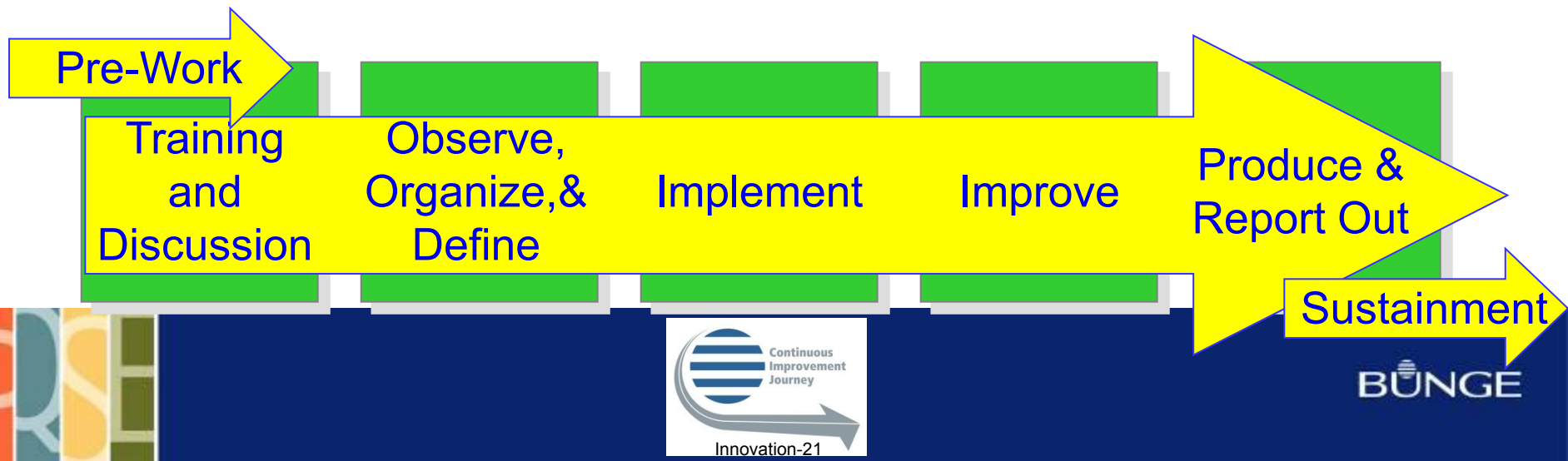
Sigma Principles

- Define value from customer perspective
- Data driven
- **Reduce variation**
- Standardize process
- Improve quality
- Reduce defects
- Mistake proofing
- Engage (Involve & empower) employees
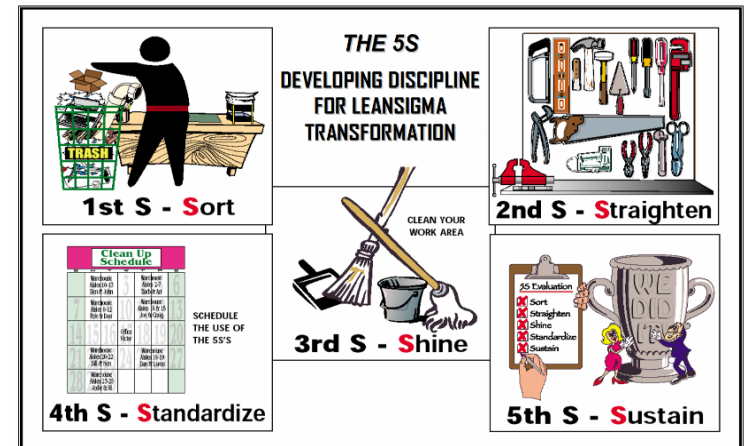- Pursue to perfection

The Kaizen Process

What is Kaizen?

- Kaizen means "Change for the Better"
- Kaizen is about you making Change in your workplace
- A Kaizen event is systematic approach to rapid improvement.
- We will listen closely to the folks involved in the work
- We'll use problem solving tools and make sustainable improvements by the end of the week.

Pre-Work

Training and Discussion

Observe, Organize,& Define

Implement

Improve

Produce & Report Out

Sustainment

Continuous Improvement Journey

Innovation-21

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Kaizen Elements

- Process Improvement

- Safety Improvement

- 5S Improvement

- Standard Work

- Building the foundation for a Lean culture that promotes the endless pursuit of eliminating waste and variation

Kaizen Element – 5S Improvement

A process and method for creating and maintaining an organized, clean, high-performance workplace.

It is about organization and discipline. It is a philosophy, a way of life.

- Sort – segregate, discard, remove unnecessary items
- Set – arrange & identify, designate "a home for everything"
- Shine - clean and inspect daily
- Standardize – revisit frequently - audit
- Sustain – motivate to sustain, expand ownership & leverage the gains

Continuous Improvement Journey

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Kaizen Element – 5S Improvement

An essential discipline (methodology) for kaizen.

Create proper environment for:
  Standard work,
  Encourages visual control,
  Helps identify waste,
  Places high value on safety and
  Promotes employee satisfaction.

Sustaining 5S Success

- Get *everyone* involved

- Periodic senior management involvement is absolutely required!

- Integrate 5S principles into daily work requirements

- Communicate need for 5S, roles of all participants, how it is implemented

- Be consistent in following 5S principles in all areas

- Follow through—5S takes effort and persistence

- Link 5S activities with all other kaizen initiatives

"5s practice makes your daily life much easier and you still have a good time!"

Continuous Improvement Journey

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Lean Sigma Wrap-up

- Transformation
- Culture
- Lean = waste reduction = speed
    - Reduced lead time to customer
- Sigma = reduce variation and improve quality
    - Data driven
- Focus on Value-Added
- Standard operations
- Kaizen – "Change for the Better"
- Kaizen elements:
    Process, Safety, 5S & Standard Work
- Many tools

BUNGE

Questions?

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