

# APPLICATION OF SIX-SIGMA IN THE FINANCE FUNCTION: A CASE STUDY

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## ABSTRACT

In recent years, companies have begun using Six Sigma methodology to reduce errors, excessive cycle times, inefficient processes, and cost overruns related to financial reporting systems. This paper presents a case study to illustrate the application of Six Sigma methodology within a finance department. The case relates to the Continuing Account Reconciliation Enhancement project undertaken by the finance department of a leading U.S. defense contractor. The goal of the project was to streamline the establishment and maintenance of cost-element planning for all business activities within the current financial system. The Six Sigma implementation resulted in 100 hours reduction in cycle time and cost savings of \$130,000 per year.

**Key Words:** Six Sigma, Process Management, Quality Management, Finance