

Case study: Denny's

Using a risk-based approach to continue serving customers while managing third parties.



For more than 65 years, **Denny's** has served millions of customers around the world at more than 1,600 locations with a mission to provide a welcoming atmosphere where people can connect over a meal.



The high volume of daily business Denny's handles means the well-known restaurant chain relies on hundreds of third parties to help with everything from bacon and egg delivery to payment-processing technology. **Juggling all the risks associated with those relationships can be challenging.**



Denny's recognized the need for a third-party risk management program that could help manage that complexity, while also keeping key stakeholders aligned and allowing them to respond quickly to potential supply chain disruptions.



To help them design and execute a strategy to manage third-party risk, Denny's chose Crowe.



Recognizing the need for a more robust way to manage third-party risk.

"When I started with Denny's, we had a lot of manual processes," Denny's Director of Internal Audit Andrea Wilcox said. "Departments operated in siloes with everything that was outsourced and we needed some way to improve our audit program as we started to outsource more and more."

"Taking a risk-based approach was the only way to attack it."

One challenge Denny's faced was finding the time and resources to build a framework and sustainable process for assessing and managing third-party risks. Denny's wanted to better evaluate and monitor third-party risks related to areas such as technology, cybersecurity, and compliance, but their internal teams didn't have the capacity to tackle the project.

"We knew that if we handled the project internally, it would go to the backburner and other things would take priority," Wilcox said. "That was a big reason why we wanted help."



Our reputation for third-party risk management stands out.

Our experience and expertise helped convince Denny's to award Crowe the project.

Christopher Schmidt, Denny's Information Security Officer, also had worked with Crowe teams on cybersecurity and technology risk projects at previous positions.

"I've come to leverage Crowe in big projects and small projects over the past 10 years. Even when we bid things out, we keep coming back to Crowe," Schmidt said. "I'm a big proponent of how Crowe has been managed from the top down. I've always felt like they're an extension of the team versus a bill-per-hour service."

Our specialists interviewed Denny's management to identify key third parties, perform risk assessments, and issue detailed reports that helped management understand what Denny's risk profile looked like and how issues could be remediated.

That work kicked off before the COVID-19 pandemic started. When the project resumed several months later, Denny's was receiving an increasing amount of revenue through online sales and digital channels, which shifted their operational models and introduced new risk. We restarted our process to determine the extent of how Denny's risk had evolved and what processes and technology needed to be customized to manage third-party risk.



Denny's third-party program adapts to a changing landscape.

"The flexibility and timing of this project didn't fare well with the pandemic. We were at risk of losing the program entirely and could have lost a lot of the momentum and traction we gained," Wilcox said. "Crowe's willingness to take more of a hybrid approach helped keep us going. That collaborative nature and responsiveness are things that we value in the relationship."



We also helped Denny's implement new technology solutions to assist with the ongoing management and continuous monitoring of third parties with alerts to capture issues, offer remediation recommendations, and track to resolutions.

"We got to 100% compliance reporting and that was a big success," Schmidt said. "Overall, we demonstrated success to the organization. We showed competence at the leadership level. I don't think we would have gotten through project implementation and the initial set of vendors without Crowe."

"Going with Crowe was the right decision."

You can take your third-party risk management program to the next level with Crowe.

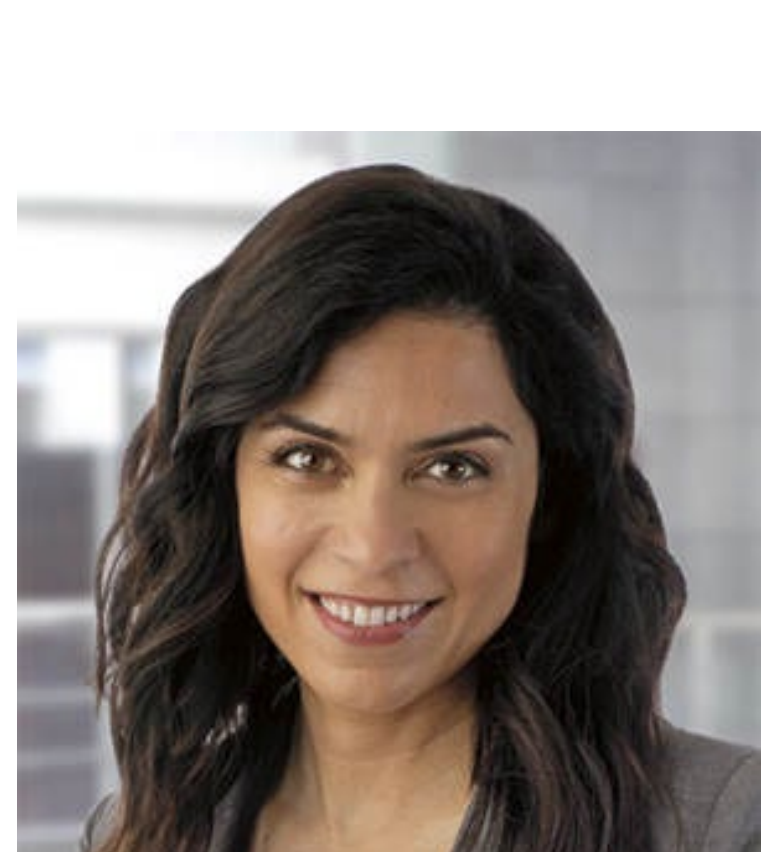
Our specialists devote their time and energy to third-party risk management. We can apply our industry knowledge and deep experience to assess your program and build a road map for improvement. We also help execute due diligence and risk assessments, review contracts for key clauses, and assist with ongoing monitoring.

If your organization needs a new or updated technology solution, we can help with that too. We implement third-party risk and governance, risk, and compliance technology solutions that can make your process more efficient and effective.

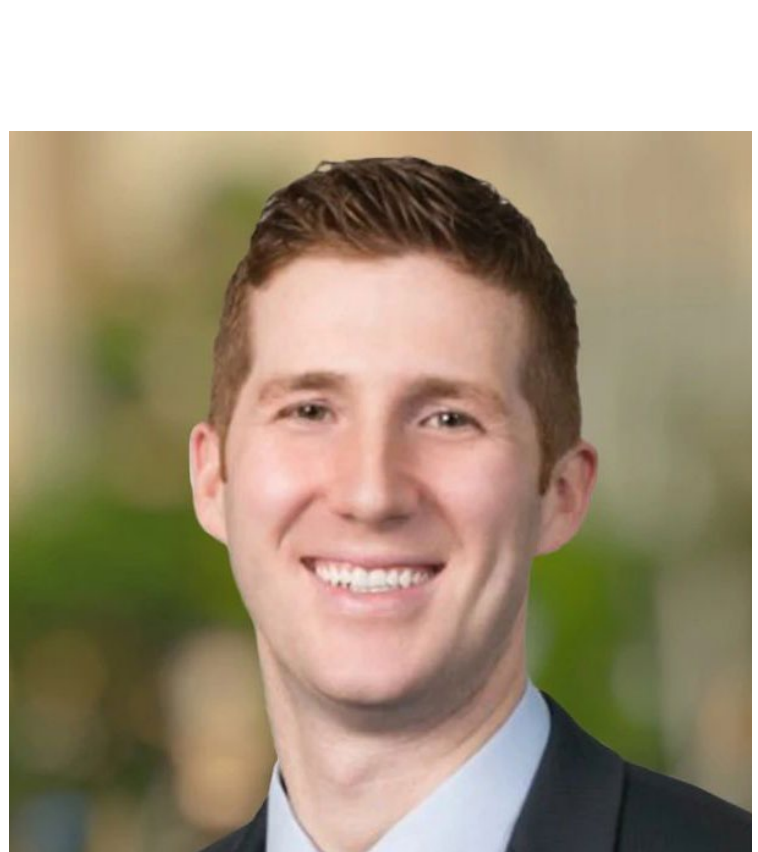


Need help managing third-party risk at your organization? Let us know.

With more than 750 risk consultants around the world, our team can help you plan, build, and run a third-party risk management program that fits your business needs.



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