The Challenge

Diversified Restaurant Holdings, Inc. ("DRH" or the "Company") (www.diversifiedrestaurantholdings.com) knows the value of good. Between the company’s Buffalo Wild Wings franchises and its own Bagger Dave’s Legendary Burger Táveons, the company has built a reputation on good value, good food, and good times.

So it’s no surprise that the company recipe includes good ethical practices too.

DRH is a growing company with approximately 2,200 employees spread over its 45 locations (by the end of 2012) and corporate office, spanning across the states of Michigan, Indiana, Illinois, Missouri, and Florida. Anticipating that incidents or ethical lapses might occur, DRH Chief Compliance Officer and Corporate Controller Ioana Ben-Ezra advised that the company examine anonymous, confidential incident reporting providers soon after she joined the organization in 2010.

“I was an auditor with Deloitte & Touche,” said Ioana Ben-Ezra, Corporate Controller for DRH. “From a risk mitigation standpoint, an anonymous reporting system was one of the first things we looked for. It’s simply good practice.”

The Solution

DRH selected Ethical Advocate “because the company felt right to me,” said Ben-Ezra. “We liked the personal attention. We felt comfortable with Ethical Advocate and its phone and web system.”

The DRH Ethical Advocate reporting system has its own 800 number and web site hosted on the Ethical Advocate site. These allow employees to make anonymous reports without the fear of reprisal. DRH has promoted the Ethical Advocate reporting mechanisms to employees and to its shareholders, believing that the risk mitigation value is important enough to warrant this notification.
Having the Ethical Advocate system gives people the freedom to make a complaint and feel exposed to potential repercussions. Ben-Ezra said. “We encourage people to try to work out situations for themselves first, but that’s not always possible,” she added. “We’ve had reports filed—which is to be expected with an employee base of about 2,200 people—and it’s working. People are using the system and no one has had any complaints about how it’s working.”

Ben-Ezra believes that a confidential incident reporting solution is a must-have for any organization, especially publicly-traded companies. “I’d recommend it to anyone,” she said. “Ethical Advocate is easy to learn and use, and it’s low maintenance. Every company should have it—for risk mitigation—but also for the health of the company.”