BEARSTONE

A 31-MONTH TELECOM GOVERNANCE CASE STUDY

WHAT VENDOR ACCOUNTABILITY LOOKS LIKE

*How a Multi-Brand Retail Portfolio Collected **$1.85M in Carrier Credits** and Reduced Its Annual Telecom Budget by **16.9%**.*

AT-A-GLANCE RESULTS

Source: Bearstone engagement data (January 2023 – July 2025)

$2,122,436	Total carrier unauthorized charges identified
$1,852,314	Credited back — 87% credit collection rate
$25,416	Currently in active dispute resolution
$244,706	Contingent on the bankruptcy proceedings of one portfolio brand
$120,584	Early termination fees waived through contract management
16.9%	Reduction in expected telecom budget, FY2024 → FY2025 †
95%	Invoice coverage in BearGuard™ (114 of 120 monthly invoices)
31 months	Engagement period: January 2023 – July 2025
700+	Store locations across six retail brands
2 carriers	Two national carriers, both validated monthly

† Comparison of client's FY2024 approved telecom operating budget to FY2025 approved budget, following right-sizing of services and contract enforcement through BearGuard governance.

AÉROPOSTALE NAUTICA Brooks Brothers EDDIE BAUER LUCKY BRAND Reebok

The Client

The client operates a multi-brand retail portfolio — Aeropostale/Nautica, Brooks Brothers, Eddie Bauer, Lucky Brand, Reebok, and a sixth brand that has since entered bankruptcy proceedings — across more than 700 store locations throughout the United States.

That footprint is not static. Store openings, relocations, remodels, and closings occur continuously across all six brands, often simultaneously. Each transition generates carrier activity: new circuits quoted and ordered, installs scheduled, old circuits cancelled, equipment returned, billing accounts updated, contract terms triggered. The governance challenge is not just invoice volume — it is the rate of change.

The Governance Gap

Before Bearstone, the client’s telecom environment had no centralized inventory, no systematic invoice validation process, and no dedicated dispute management function. Carrier invoices were processed and paid. Billing errors accumulated.

The pattern Bearstone identified on engagement is consistent with what we see across enterprise clients: unused services continuing to bill after store closings, outdated rates persisting after contract changes, bandwidth tiers that no longer matched active site requirements, and charges at locations that had been decommissioned. These are not isolated incidents. They are the predictable result of a vendor relationship that operates without governance structure.

No carrier is responsible for catching errors that benefit the carrier. That responsibility belongs to the enterprise — and it requires a continuous process, not a periodic review.

The five recurring billing errors Bearstone identifies most consistently:

- Services continuing to bill after confirmed cancellation
- Outdated rates not updated following contract changes
- Bandwidth tiers over-provisioned relative to current site needs
- Bundled surcharges applied without contractual basis
- Active billing at sites that have been closed or relocated

The BearGuard™ Governance Process

Bearstone onboarded the client's full portfolio to BearGuard™, Bearstone's managed governance process, establishing a continuous monthly cycle across all brands and both carriers. BearGuard is not a software subscription. It is a team running a defined process, every month, against the client's own contracts and inventory.

Living Inventory Management

BearGuard maintains a current, accurate record of every circuit, line, and service — by brand, by store, by carrier — updated as stores open, relocate, and close. This becomes the system of record that all invoice validation runs against. Without an accurate inventory, invoice discrepancies cannot be identified with precision. The client's team went from estimating their telecom footprint to knowing it.

Invoice Custody and Monthly Validation

Every carrier invoice is downloaded at issue and retained as a PDF, organized by brand — a permanent, client-owned record that does not depend on carrier portal access. Each invoice is then validated line by item against the current inventory and contracted terms. Charges are classified as matching, within tolerance, or flagged for dispute. A Red/Yellow/Green variance report surfaces only true exceptions — the client's team reviews decisions, not raw data. Of 120 monthly invoices over the engagement period, 114 were processed through BearGuard's validation cycle (≈95% coverage).

Dispute Management and Resolution

When a billing discrepancy is confirmed, Bearstone files the dispute directly with the carrier — using carrier-formatted forms and CSV-level evidence sourced from the carrier's own billing data. Every open dispute is tracked through resolution until the credit posts to the client's account. Carriers respond differently when disputes arrive with documentation they cannot refute.

Vendor Accountability Reviews

Bearstone conducts regular structured reviews with both carriers, maintaining a documented record of outstanding issues, committed credits, and resolution timelines. This creates a formal accountability relationship between the client and its carriers — one where unresolved issues do not disappear between billing cycles.

Contract Management

When store closures triggered early termination fee obligations across multiple brands, Bearstone managed the carrier negotiation directly. The result: $120,584 in ETF fees waived — across Aeropostale, Lucky Brand, Reebok, Eddie Bauer, Nautica, and the parent entity. Bearstone also handled contract consulting and renewal negotiations throughout the engagement.

Lifecycle Management Across a Changing Footprint

Governance at the invoice layer only holds if the events that create billing change are governed too. Across the engagement, Bearstone ran the telecom side of every store transition:

• **Openings and relocations —** multiple carrier quotes for each new store, office, or warehouse; service orders placed only on the client's written approval; circuit and equipment installs scheduled with Store Operations so sites are live on schedule.

• **Closures —** a documented disconnect process for every closing store: circuits cancelled inside the contracted notice window, equipment returned, and billing confirmed stopped — so a closed site does not keep billing.

• **Payment continuity —** when carrier payments ran late in accounts payable, Bearstone intervened with the carrier to keep services from being disconnected.

• **Project management —** cutovers, installations, technology upgrades, brand acquisitions, and the wind-down of two brands.

• **Market options —** as better, faster, or lower-cost service options surfaced, Bearstone brought them to the client with a recommendation — including a HughesNet contract buyout opportunity.

The Outcomes

Financial Results (January 2023 – July 2025)

- $2,122,436 in carrier unauthorized charges identified across all brands and both carriers
- $1,852,314 credited back — an 87% credit collection rate
- $25,416 currently in active dispute resolution
- $244,706 contingent on the bankruptcy proceedings of one portfolio brand (see brand table)
- $120,584 in early termination fees waived through carrier contract negotiation
- 16.9% reduction in the client's expected telecom budget from FY2024 to FY2025

Brand-Level Breakdown

Unauthorized Charges Identified → Credited Back → Remaining Balance

Brand	Identified	Credited Back	Remaining / Notes
Aeropostale/Nautica	$975,194	$872,747	$102,447
Brooks Brothers	$6,105	$199	$5,906
Eddie Bauer	$267,975	$367,225	(–$99,250) — credits exceeded disputes; historical billing corrections applied
Lucky Brand	$264,413	$271,228	(–$6,815) — credits exceeded disputes
Reebok	$77,749	$54,621	$23,129
Sixth brand	$531,001	$286,295	$244,706 — subject to bankruptcy proceedings

Source: Bearstone engagement data, Bearstone Value tab.

**This brand filed for bankruptcy in 2025. The $244,706 in remaining disputed charges reflects the status at the time of filing. Resolution of outstanding disputes is subject to the bankruptcy proceedings.*

Operational Outcomes

- A single, accurate, always-current inventory of all telecom services across all brands and carriers — enabling budget forecasting with confidence rather than estimation, with detailed budget and forecast information delivered to the client's finance and IT teams on request.
- Recurring billing error detection on a monthly cadence, preventing the re-accumulation of unauthorized charges between review cycles. The governance process catches errors at the point of origin rather than allowing them to compound over months or years.
- Full-spectrum billing visibility: when a hosted voice service was found to be under-billing, that variance was surfaced to the client's finance team as well — no payment surprises in either Direction.
- A documented dispute and credit history across both carriers, accessible to the client's team at any time for budgeting, forecasting, and carrier negotiations.
- A clean closure record: closed stores stop billing the month they close, and equipment is returned rather than written off.
- Carrier relationship structure: the client's vendors now operate knowing their invoices are validated every month. That accountability is itself a governance outcome.

What This Means Beyond the Numbers

The 16.9% budget reduction from FY2024 to FY2025 is the most significant long-term indicator in this engagement. It reflects not just errors corrected but services right-sized, contracts enforced, and a vendor environment that the client's carriers now know is actively monitored.

There is a compounding return on vendor governance that does not exist in a one-time billing review. When carriers know that invoices will be validated monthly and discrepancies will be disputed with their own data, billing accuracy improves over time. The governance process creates the accountability condition. The financial outcomes follow from it.

The $1,852,314 credited back is the backward-looking result. The 16.9% budget reduction is the forward-looking one. Both are products of the same process: continuous, methodical vendor accountability.

> *"Every multi-site enterprise we engage has unauthorized charges flowing through their carrier invoices. The question is not whether they exist. The question is who on the buyer's side is validating them."*
>
> **— Bill Henrichs, President, Bearstone LLC**
> *Former Head of Telecommunications, Simon Property Group*

Why Bearstone and BearGuard™

BearGuard is a managed governance process — monthly invoice validation, active dispute management, living inventory, direct carrier engagement, and lifecycle management through every store transition — operated by a team that has spent decades on both sides of the enterprise telecom relationship. It is not a software subscription, and it is not a one-time billing review.

Bearstone's founder and team members have held senior roles at AT&T, CenturyLink, and Simon Property Group. We know how enterprise carrier contracts are written, how billing systems process charges, and where the gaps between contracted terms and invoice reality consistently appear.

The financial results above are what happens when vendors are held accountable to what their contracts actually say — not once, but every month.

> **BearGuard™ delivers:**
>
> - Monthly invoice validation against contract terms and living inventory
> - Dispute management filed with carrier-level evidence and tracked until the credit posts
> - Invoice custody — every carrier invoice retained as a client-owned record
> - Always-current inventory that serves as your telecom system of record
> - Structured vendor accountability reviews that carriers take seriously
> - Contract management through transitions — openings, closings, acquisitions, renewals
> - Lifecycle management — quotes, written-approval ordering, install scheduling, disconnect process, and project management for every site transition
> - Budget and forecast detail for finance and IT, on request

If your telecom invoices have not been validated against your contracted terms in the last 90 days, you are almost certainly paying for services you no longer use, at rates that no longer match your contract.

Next Steps

For a full overview of BearGuard and the team behind it, download the Executive Brief at BearstoneLLC.com.

To discuss your environment directly:

Bill Henrichs, Founder & President
Former Head of Telecommunications, Simon Property Group
Bill@BearstoneLLC.com
BearstoneLLC.com