

## Channel Customer Story

# *Transforming Business Through Innovation: Channel and LTi Technology Solutions*

### Case Study: Channel's Decade of Success with LTi's ASPIRE Platform

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#### Executive Summary

##### Overview:

For over a decade, Channel, a nationwide leader in small business financing has harnessed the power and partnership of LTi Technology Solutions (LTi) and its **ASPIRE** platform to drive innovation and fuel exponential growth. This strategic partnership transformed Channel's operations enabling scalable portfolio management as they entered two key sectors: working capital and equipment finance.

As of 2024, Channel has achieved remarkable success, funding over **\$2.3 Billion** across more than **37,000 transactions nationwide**.<sup>1</sup> Channel's innovative use of technology and data earned them the ELFA 2024 Operations and Technology Excellence Award, solidifying their position as an industry leader.<sup>2</sup>

Based in Minnetonka, MN, Channel is recognized for its cutting-edge financing options and strong market presence in the SMB equipment finance and working capital sectors. Channel empowers growth with seamless, flexible, and customized borrowing solutions. Their consistent performance has earned them a spot on the prestigious Inc. 500 list as one of America's Fastest Growing Companies for twelve consecutive years.<sup>3</sup>

In August 2024, Channel announced the closing of its sixth securitization and fourth working capital securitization, a **\$125 Million** issuance of asset-backed notes, secured by a diverse portfolio of small business loans and advances.<sup>4</sup> This success is a testament to their innovative infrastructure, which incorporates API's, open banking, and cloud-based technologies to manage investment opportunities across diverse markets efficiently and the value of their strategic partnership with LTi.

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<sup>1</sup> <https://www.channelpartnerscapital.com/how-we-work/>

<sup>2</sup> <https://www.channelpartnerscapital.com/channel-receives-elfa-2024-operations-and-technology-excellence-award/>

<sup>3</sup> <https://www.channelpartnerscapital.com/channel-marks-12th-consecutive-year-on-inc-5000-annual-list-of-fastest-growing-private-companies/>

<sup>4</sup> <https://www.channelpartnerscapital.com/channel-successfully-closes-125mm-abs-securitization/>

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## About the Client

### Background:

Channels founders, with deep roots in the equipment finance industry, recognized the value of LTI's ASPIRE platform - a comprehensive end-to-end solution for managing equipment leases and loans of any size. Channel sought a technology partner that could deliver powerful, scalable, highly configurable solutions and foster a collaborative partnership to support their growth plans across two key strategic phases.

### Client Details:

- **Client Name:** Channel
- **Industry Sector:** Equipment Finance
- **Company Type:** Independent
- **Company Size:** Mid-sized financial institution
- **Key Products/Services:** Working capital and equipment finance
- **Business Objectives:** Drive innovation and achieve sustained growth across multiple financing sectors

### Strategic Partnership: The Genesis of Success

The collaboration between Channel and LTI Technology Solutions began over a decade ago centered upon a shared vision of innovation and growth. Channel, founded in 2009, has become a leading full-service independent lender offering a single source solution for both equipment finance and working capital to small businesses exclusively through equipment finance companies to originate, underwrite, syndicate and hold short-term small business working capital loans.<sup>5</sup>

Describing the selection, Brad Peterson, CEO and founder of Channel, stated, "We recognized the strength and versatility of ASPIRE, and were proud to be one of the first working capital lenders to deploy this market-leading technology. [This] best-in-class ASPIRE product has allowed us to deliver for our customers and distance ourselves from our competitors."<sup>6</sup>

As Channel expanded into new financing opportunities, they required a technology partner that could manage complex financial structures and scale rapidly. LTI's **ASPIRE** platform became one of the core foundations-of Channel's business, delivering the robust capabilities required to support their evolving business model.

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<sup>5</sup> <https://www.channelpartnerscapital.com/channel-partners-capital-selects-lease-teams-aspire-april-2015/>

<sup>6</sup> <https://www.channelpartnerscapital.com/channel-partners-capital-selects-lease-teams-aspire-april-2015/>

This customer story provides a brief synopsis of Channel's two key business phases and how ASPIRE enabled successful expansion, becoming a key component of Channel's unique business model.

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## **Phase 1: Revolutionizing Working Capital Finance**

### **Challenge**

Traditional equipment finance software struggled with the complex daily interest calculations required for Channel's range of offerings in working capital products. Channel needed a platform able to manage working capital and its unique daily interest calculations with no asset attached, which differ significantly from typical asset-backed loans.

### **Solution**

LTi Technology Solutions ASPIRE platform's capabilities included an amortization engine with new features to handle daily, weekly, and monthly interest calculations. This empowered Channel to offer working capital loans, tailored to their clients' needs, unlocking substantial growth.

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## **Phase 2: Expanding into Asset-based Finance**

### **Challenge**

In response to a shifting economic marketplace, Channel sought to enter the competitive equipment finance market and serve third party originators and lessors, which required the need for a financial software platform capable of managing diverse product lines and complex financial structures.

### **Solution**

LTi's ASPIRE platform delivered the robust capabilities and comprehensive functionality Channel needed to manage a wide range of finance programs, including FMV leases, dollar-buyout, asset-backed loans, and hybrid financial products. The LTi customer team partnered with Channel's team to configure their platform for equipment leases programs, while providing training to expedite transition to managing these new product types.

### **Phase 1 & 2 Business Results & Metrics:**

Channel swiftly expanded into the equipment finance space while simultaneously driving continued, rapid growth within its working capital business. LTi ASPIRE's robust, all-encompassing functionality enabled Channel to efficiently support both lines of business, providing seamless integration and flexibility. This adaptability allowed Channel to leverage ASPIRE's full capabilities to meet the unique demands of each area while delivering an exceptional experience for partners. By streamlining complex processes and enhancing operational efficiency, ASPIRE has proven to be a vital component of Channel's sustained growth and market success.

ASPIRE manages all loan-level accounting for both of Channel's product lines, serving as the sub-ledger to their general ledger. Since implementing the ASPIRE platform, Channel has successfully navigated numerous financial audits, routine bank examinations from each lender, annual surveillance for all ABS transactions, and extensive rounds of due diligence with other counterparties. The stability of ASPIRE's loan-level accounting provides Channel's counterparties confidence in the accuracy of the data, enabling seamless expansion and scalability in financing efforts. This has driven a compound annual growth rate of approximately 40% in Channel's originations since ASPIRE's rollout.

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## Summary Results

### Quantifiable Success and Business Impact:

Channel achieved significant growth across both phases of their expansion, consistently exceeding initial targets and establishing themselves as a leader in the equipment finance industry.

### Growth Metrics:

- **Working Capital Financing:** ASPIRE's robust functionality has supported Channel's rapid growth within the working capital business by providing seamless integration with existing systems and ensuring accurate loan-level accounting. This reliability has enabled Channel to pass financial audits and bank examinations confidently, giving partners and counterparties assurance in the accuracy of data and facilitating scalable financing.
- **Equipment Finance:** ASPIRE empowered Channel's swift expansion into the equipment finance space, meeting the unique demands of this business line with flexibility and adaptability. By streamlining complex processes and serving as a precise sub-ledger for Channel's general ledger, ASPIRE has contributed to an approximate 40% compound annual growth rate in originations since its rollout.
- **ROI Achieved:** Channel saw substantial returns across all phases, with notable internal rates of return (IRR) in working capital.
- **Long-Term Impact on Business:** Strengthened market position and increased capacity for handling complex financial transactions.

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## Client Testimonial

*“LTi’s **ASPIRE** platform and their strategic partnership have been instrumental in Channel’s growth, enabling us to consistently innovate and scale our operations seamlessly for over a decade.*

*LTi’s focus on continuous improvement, client collaboration, and its deep commitment to understanding the intricacies of our unique business needs has been a key to our success.”*

*- Brad Peterson, CEO/Channel*

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## Why Partner with LTi?

For over 35 years, LTi Technology Solutions has built a reputation as a trusted partner in the equipment finance industry, standing out for exceptional customer service, rapid deployment and scalability, and unparalleled industry expertise. These core pillars drive growth and foster lasting partnerships with leading clients across the industry. Our deep knowledge of industry challenges allows us to craft innovative solutions rigorously tested and proven effective by our top-tier clients.

## The LTi Difference

Channel’s success story exemplifies the impact of strategic collaboration. At LTi Technology Solutions, we pride ourselves on our close partnerships with clients, ensuring they have the technology, insights, and dedicated support needed to excel in a competitive landscape. Our collaborative approach, known as **#TheLTiDifference**, has been a foundational element of our success, empowering clients to achieve their goals with confidence.

## Speed, Configurability & Scalability with ASPIRE

In today’s fast-paced and rapidly changing equipment finance market, agility is no longer a luxury—it is key to unlocking long term success. Businesses need a robust platform that can keep pace with market changes while driving operational efficiency. LTi’s ASPIRE platform offers the perfect solution, delivering unmatched configurability, speed and scalability to meet the demands of modern businesses. ASPIRE’s fully integrated, single-platform approach eliminates the complexity of managing disparate tech ecosystems, ensuring zero down time, swift deployment and rapid enablement. With ASPIRE, companies can streamline operations, manage rapid growth, and unlock new funding avenues such as securitization, propelling long-term success. Channel’s impressive growth showcases the power of LTi’s technology in accelerating growth, keeping businesses agile and competitive, and enabling them to capitalize on emerging opportunities and drive sustained success.

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## Deep Industry Expertise You Can Trust

The ASPIRE platform's flexibility and robustness empowered Channel to diversify its financing solutions, expanding into working capital and equipment finance. LTi's ability to partner with Channel, tap into the team's deep industry expertise to adapt and deliver tailored solutions is what sets us apart and makes us a trusted technology *partner* in the equipment finance industry for our top tier clients.

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## Conclusion

Channel's journey with LTi Technology Solutions illustrates the transformative impact of the ASPIRE platform on a growing business. From working capital to equipment finance, our partnership empowered Channel to exceed its business goals and establish itself as a leader in the equipment finance industry.

Channel's technology-driven approach combined with a commitment to providing flexible financing solutions for small and mid-sized businesses has cemented their position as a trusted partner across the financial ecosystem. They have emerged as a premier player in the equipment finance industry, delivering unparalleled growth and receiving significant industry recognition:

- \$2.3+ Billion in funding delivered to over 25,000 businesses across more than 37,000 transactions nationwide
- Consistent double-digit annual growth over the past 5 years
- The closing of its sixth working capital securitization
- **INC. 5000 List of America's Fastest Growing Private Companies** for twelve consecutive years
- **Monitor 100**: Ranked among the Top 100 equipment finance companies in the US
- Recipient of the prestigious **ELFA 2024 Operations and Technology Excellence Award** for their innovative use of technology and data.

"As LTi continues to innovate and support clients, we remain committed to providing the tools and expertise needed to navigate the challenges and opportunities of this dynamic industry," noted Randy Haug, EVP/Co-Founder of LTi Technology Solutions.

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## Final Thoughts From Our Experts

"At LTi, our team continuously monitors industry trends and harvests client feedback to refine and enhance our solutions. Our partnership with Channel serves as a model for how technology, when applied strategically, can drive exceptional business outcomes, namely the ability to scale offerings and services without interrupting business," commented Haug. LTi's powerful technology solutions allow for improved efficiencies and decision-making, making us the ecosystem of choice for **40% of the Monitor 100, 50% of the Independents 30 and 36% of the Bank 50.**

## **Interested in Learning How LTi Technology Solutions Can Support Your Business?**

If you are looking to innovate, overcome business challenges, or seek to stay ahead in an increasingly competitive market, consider partnering with LTi Technology Solutions.

[Contact us](#) to explore how our tailored solutions can help you achieve your business goals.

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