

CASE STUDY



A partnership for international growth: Channel and Accelerated Payments



Accelerated Payments has grown quickly to become one of the best-known providers of invoice finance, which lets business owners improve cashflow by accessing funds tied up in their accounts receivable. But to meet its business customers' needs, Accelerated Payments needs access to the capital markets, and the right partner to help it do so.



That's where a partnership with Channel has proven essential, helping Accelerated Payments meet its own ambitious targets for international growth.

THE CHALLENGE

Accelerated Payments, from its beginnings in 2017, knew it had a unique funding proposition to offer small businesses. Unlike banks, Accelerated Payments lets companies select domestic or international invoices to finance and when, without burdensome requirements like directors' personal guarantees. The end result is faster payment of large client invoices, while still letting businesses offer their clients ample credit.

Businesses recognised quickly that Accelerated Payments was offering something special, and it rapidly grew from 4 staff to over 20, expanding from Ireland into the US and Canada. By its third year it had already financed €300 million in invoices.

"Our goal has always been to own the individual invoice finance market and be the partner of choice for brokers and accounting firms," says David Ingram, COO and Head of Risk for Accelerated Payments. "We're not distracted by offering other lending, such as small business loans: we specialise in accelerating the conversion of invoices, which are an asset to a business, into cash. But for us, it's all about picking the right partners to help us grow."

The challenge for Accelerated Payments was its need to access larger pools of funding, across multiple currencies and geographies, to fuel its continued expansion, including in North America. A partnership with Channel has given it exactly that.

THE SOLUTION

- Channel engaged with Accelerated Payments and put a securitisation vehicle in place of €25 million with the capability to build to €50 million
- Channel leveraged its knowledge of and relationships within the capital markets to secure the investment at a competitive rate and deliver a multi-currency, multi-country capability for Accelerated Payments
- Ongoing, close programme management by Channel ensures it can protect its investors' monies while also deepening its understanding of the Accelerated Payments business and plans for growth

MEETING MARKET DEMANDS FOR INVOICE FINANCE

The impact on Accelerated Payments is a greater ability to execute on its growth strategy, with the confidence that it can fund invoices for clients in euro, sterling and dollars. David Ingram says that Channel's capability to reach across geographies and currencies, and plug into a wider investment base that includes institutions as well as high net-worth individuals, gives Accelerated Payment comfort that it's found a partner it can grow with.

"From the very first meeting with Channel, it was clear that they know the market, our business, and the industry," David said. "They made an investment of time to understand us in detail, including how we underwrite the business and protect other people's monies: they were second to none in their analysis.

Because they understand the entities who provide funding, and they understand our business, they can build structures that will work for both. They know this business, they're connected, and they're able to execute."

Since establishing the fund, Channel has maintained an ongoing role in the management of it, with a regular flow of information that has only deepened the relationship with Accelerated Payments.

"Channel are in the 'partner' category – they're not a one-off," David said. "They know we've got further growth aspirations, and we know they can assist with that: that's why they're good people to work with."

KEY BENEFITS FOR ACCELERATED PAYMENTS

- ✓ Channel offers a deep understanding of and relationships within the international capital markets and an ability to execute
- ✓ Accelerated Payments can now plan for growth, with access to a €50 million fund across countries and currencies, at a competitive rate
- ✓ Channel's technical capability and ongoing program management minimises risk for all parties

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