

CONDITIONS AND FACTORS FOR ENERGY SUPPLY COMPANY BUSINESS PROCESS ORGANIZATION CONCERNING PAYMENT ACCEPTANCE

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ABSTRACT

In the prevailing era, the most relevant issues seem to be the development of an adaptive policy of an energy sales company to ensure financial stability and sustainable development in the course of energy sales activities. This study continues the cycle of the author's general research devoted to the methodological issues of an adaptive policy development in relation to the key business processes of energy sales activities implemented by an energy sales company, the specifics of its work as a guaranteed energy (capacity) supplier, etc. The article examines the conditions and factors that determine the need to develop an adaptive system for an energy sales company to organize payment acceptance. When it comes to the business process organization for payment acceptance, energy retail companies need to take into account the conditions and factors that set the long-term trend in this area: changes in legislation, the strength of market competition and the trends of the payment acceptance market infrastructure, the ongoing coronavirus infection pandemic, and the ongoing technological change. Management decision-making should be based on the principles of economic feasibility and efficiency in conjunction with legal requirement compliance. Power supply companies need to use the conditions and factors highlighted in the study to build up competitive advantages in the field of payment acceptance organization, to maintain and develop their market position, which can only be done through an adaptation policy in this area. For the purpose of economic efficiency increase concerning organization payment acceptance business process, energy sales companies need to plan the indicators of the payment acceptance system, implement measures for their implementation (achieve target values), carry out the analysis of the achieved results and their reflection, which will ensure timely and reasonable acceptance of management decisions.

Keywords: *economy; electricity; electricity consumption; energy; retail electricity market*

1. INTRODUCTION

The present study, as a particular problem of the general author's research, is aimed at the main approaches determination for an adaptive policy development in relation to the business process organization of an energy sales company for payment acceptance.

At present, the activities of an energy sales company are subject to the economic and regulatory aspect regulation of energy sales activity organization (tariffs, licensing, etc.). Besides, such key factors as competition in the payment acceptance market, the infrastructure of this market and multidimensional interaction with this market participants, the challenges of the time set a certain long-term trend that must be taken into account when developing an adaptive policy to level these risks. Understanding these conditions and factors will make it possible to use the potential and capabilities of an energy sales company to set the vector of sustainable development in the medium term. The study was carried out on the materials of an energy sales company - a guaranteed energy (capacity) supplier of the second non-price zone.

Scientific publications devoted to the problems of payments for services, organization and improvement of the payment acceptance system, also in relation to the activities of energy sales companies, mainly consider:

- the issues of payment discipline development in retail electricity markets: complete restriction of energy supply (Rodin, 2015);
- the problems of the settlement system efficiency increase by energy sales companies (Salakhova, 2017).
- the problems of business process reengineering to manage accounts receivable of resource supplying companies (Salov & Maslov, 2014).
- the general problems of energy sales, also during payment acceptance organization (Barkatunova, 2017).
- the analysis of consumer payment discipline impact on the energy sales company calculations (Gaifutdinov, 2016).
- the problems of legal mechanism improvement for timely payment provision for supplied energy by the consumers of energy resources (Akimov, 2016).

- the problems and prospects of work of unified settlement centers in the retail electricity market (Fateeva, 2012; Krivoruchko, 2019; Lisina, 2007; Klaus & Nicholas, 2018).

The purpose of the article is to study the conditions and factors that necessitate the development and implementation of an adaptive system for an energy sales company to organize payment acceptance, the development of an approach to make managerial decisions in this area.

The objective of the study is to reveal the semantic content of the conditions and factors that set a long-term trend for an adaptive policy development and implementation in the field of a business process organization for payment acceptance in a power supply company.

- In terms of business process organization for payment acceptance, energy sales companies need to take into account the conditions and factors that set the long-term trend in this area: changes in legislation, the strength of market competition and the trends in payment acceptance market infrastructure, the ongoing coronavirus pandemic, and the ongoing technological change.
- Power supply companies need to use the conditions and factors identified in the study to build up competitive advantages in the field of payment acceptance organization, preserve and develop their market position, which can only be done through an adaptation policy in this area.
- For the purposes of the economic efficiency increase concerning payment acceptance business process organization, energy sales companies need to plan the indicators of the payment acceptance system, implement measures for their implementation (achieve target values), analyze the results achieved and reflect them, which will ensure timely and reasonable making of management decisions.

2. METHODS

The study was carried out on the basis of open data from the RF Ministry of Energy, JSC "FM", NPE "Market Council", information from banks and operators on payment acceptance, and the annual reports of market economic entities. A systematic approach and analytical research methods were applied in the course of the study.

3. RESULTS

When considering the production and financial cycle in relation to the activities of the energy sales company, it was found that one of the important points is the collection of funds for the consumed electricity (Koren et al., 2019; Latkin et al., 2018; Miroshnikova & Koshevaya, 2020; Miroshnikova & Taskaeva, 2016; Terentyeva et al., 2018; Terentyeva et al., 2019; Vasilenko & Titova, 2019).

If the funds from consumers - legal entities for consumed electricity are sent directly to the settlement account of the energy sales company, then the energy sales company must build certain channels to collect funds from consumers - individuals. As a rule, the energy sales company accepts payments from citizens at its own points of sale, and also engages banks and other payment agents to receive payments.

By the method of accepting funds, one can distinguish directly acceptance of cash, as well as the acceptance of non-cash funds through various channels (ATMs, terminals and self-service devices, a mobile application, Internet payment, electronic money, etc.). Another important factor is the wide geography of consumer location (which is especially evident in isolated power systems): towns and cities, small settlements, including remote ones, which in some cases limits the methods and channels for payment acceptance, and also affects the cost of services for payment acceptance.

In this situation, an energy sales company has a question about the effectiveness of the system organizing payments from individuals. Since today there are many channels and methods for accepting cash and non-cash payments, an important issue is the cost of these methods for the energy sales company, i.e., the costs that it incurs for the organization of payment acceptance.

Currently, the organization of the business process of an energy sales company concerning payment acceptance for consumers is determined by a number of key conditions and factors, which requires the development of an adaptive approach to make management decisions in this area.

In the course of the study, the conditions and factors were identified that determine the approaches to the business process organization of an energy sales company for payment acceptance:

- 1) Regulation. According to the legislation, the activity of an energy sales company for the sale of electricity is a regulated type of activity, which is directly reflected in the level of expenses of the energy sales company to organize payment acceptance. Until recently, the costs of payment acceptance were included in the tariff either by economically justified costs or by reference costs, depending on the regulatory model applied in the region. Since September 13, 2020, the amendments to the regulatory legal acts in the field of tariff regulation came into force, in accordance with which the expenses for payment services rendered by banks and other organizations in accordance with the RF legislation were excluded from the expenses for utilities.

On this basis, the commission for payment services provided by banks and other organizations when paying for utilities should be paid by consumers of utilities directly in these banks and organizations. Individuals, also proceeding from economic considerations of paying for housing and communal services, have the right to choose any method of making such payments, as well as any credit or other organization that provides services for receiving and transferring funds. This measure, implemented by the state through a change in legislation, is primarily aimed at competition between organizations that provide services for payment acceptance.

Also, according to the legislation, energy sales companies - guaranteeing suppliers of energy (capacity) are regulated in the field of energy supply service provision and, soon will have to undergo licensing of energy sales activities. The guaranteeing supplier of electricity (capacity) is obliged to provide face-to-face service to consumers, as well as the possibility of making payments for electricity by them without charging a commission from the payer.

Thus, there is a legal conflict, when the costs of payment acceptance organization are excluded from the tariff by law, but the obligation of the guaranteeing electricity supplier to ensure the possibility of making payments for services without charging a commission from the payer remains. Undoubtedly, the energy sales company is interested in such cost reduction, which are now essentially covered by its entrepreneurial profits.

- 2) Competition. The amendments to the legislation regarding the exclusion of their tariff to reimburse the expenses for payment acceptance services are aimed at excluding the right to choose counterparties by resource supplying organizations (banks, payment

agents, postal operators), with whom contracts will be concluded for payment acceptance from individuals and such a right provision to the payer (an individual) directly.

When accepting payments from individuals as the payment for housing and communal services, payment agents have the right to charge the payer a fee in the amount determined by an agreement between the paying agent and the payer. Thus, the financial burden of paying the commission when paying for utilities falls on the consumer of these utilities. At that, the consumer has the right to choose any organization to pay for housing and communal services, also based on economic considerations. In this case, organizations providing services for payment acceptance will begin to compete for the client by establishing the optimal commission, which will contribute to the development of the market competition).

The monitoring of banks tariffs for payment acceptance on the territory of the Far Eastern region (the second non-price zone of the electricity market) showed that the tariff range is from 0.8 to 3.0 percent for each transaction, depending on the payment method (non-cash/cash). At the same time, the tariffs of a postal operator for payment acceptance in hard-to-reach areas can be up to 5.0 percent from the amount of funds received. In turn, the organization of payment acceptance in the own points of sale of energy companies also has an economic nature.

The tariffs for payment acceptance should be determined primarily on the basis of the unit costs for points of sale maintaining, defined as the ratio of costs to the amount of received proceeds. In the studied energy sales company, unit costs amounted to 1.6 percent in 2019, to 2.4 percent in 2020, the increase in unit costs is conditioned by the restrictions imposed during 2020 on full-time customer service at the points of sale due to the coronavirus infection pandemic.

This was reflected in scale effect decrease - the decrease of received proceeds volume in own points of sale while maintaining the conditionally constant costs of maintaining points of sale. So in 2020, the unit costs of the energy sales company under study for payment acceptance are generally at the upper boundaries of banks tariff range, which focuses on optimizing the costs of sale points maintaining, closing inefficient sale points, etc.

Market competition for an energy sales company is seen in the fact that the energy sales company, having full-time customer service points and sale points, should develop, also as an operator for payment acceptance. To do this, it is necessary to attract the contractors from the sphere of housing and communal services to service under agency agreements for payment acceptance in their favor.

For example, the power supply company under study has been doing this work for the past several years. At the moment, the structure of the received proceeds at the sale points is already approximately 50/50, i.e., 50 percent of accepted payments in the points of sale are the payments for housing and communal services, which accordingly forms income from such activities under agency agreements.

- 3) Collaboration. Despite the fact that the energy sales company as an operator for payment acceptance competes with banks, postal operators and other payment agents on the market for payment acceptance, it is also interested in cooperation development with them. Firstly, there are own face-to-face service points and cash centers not everywhere on the territory of the energy sales company presence, and their opening is not economically feasible, and then the infrastructure of banks, postal operators and other payment agents allows consumers to pay for electricity and other housing utilities.

Secondly, the development of non-cash payment channels, as cheaper in terms of tariffs, focuses on attracting participants of the payment services market to organize merchant acquiring in their own sale points and Internet acquiring on the website of an energy sales company through competitive procurement procedures. For example, over the past two years the systematic work on the purchase of merchant acquiring services (pos-terminals at points of sale) allowed the studied energy sales company to reduce the tariff by 2.5 times, which was significantly reflected in the cost reduction for this item in the prime cost.

The development of the client's personal account on the website of the energy sales company made it possible to introduce the possibility of making payments for services via the Internet, which is especially important during the difficult epidemiological situation and limitations of face-to-face service. For example, in 2020, the share of non-cash payments received from individuals more than doubled in the energy sales company under study.

- 4) Challenges of time. It is important for the energy sales company as a guaranteed supplier of electricity (capacity) to implement an adaptive policy in relation to the organization of payment acceptance. The current challenge in this area is the continuing spread of the coronavirus infection. According to medical experts, this phenomenon will persist in varying degrees of intensity for several more years, and then, as a phenomenon, it will enter people's lives, most likely forever.

Another important factor that determines the implementation of an adaptive policy is the ongoing change in the technological order and the development of digital technologies in the financial and social-economic sphere, which, among other things, allows the energy sales company to develop interactive ways of serving consumers (video chats, chat bots, automatic call-centers, voice recognition technologies, etc.) and remote payment acceptance (Internet acquiring).

In this regard, the identified key conditions and factors, coupled with the changes in legislation, set a long-term trend for the development and implementation of an adaptive policy in the energy sales company in the field of a business process organization for payment acceptance.

- 5) Further, understanding the conditions and factors in which this business process will be carried out, within the framework of the development and implementation of an adaptive policy of the energy sales company for payment acceptance, it is necessary to develop the indicators that characterize the system for payment acceptance and the criteria for its effectiveness evaluation.

At the planning stage, the planned values of the payment acceptance system indicators should be set, to implement the measures for their implementation (achievement of target values) at the organization stage, to analyze the achieved results and their reflection at the report (control) stage. This approach will ensure timely and informed management decisions.

4. CONCLUSION

The study of scientific publications in the open access showed that the consideration of the conditions and factors that determine the need for the development and implementation of an adaptive policy of the energy sales company for payment acceptance organization has not previously been disclosed.

The results obtained will make it possible to form an information base for making decisions in the field of approach development to build an adaptive system for payment acceptance in power supply companies. This research will be continued in the field of a system of indicators development characterizing the system of payment acceptance of an energy sales company, developing the methods for its improvement, conducting approbation on the materials of the studied energy sales company.

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