

Exploring the Application of Supply Chain Finance in Power Industry Groups

Junhan Yang

Krirk University, Bangkok 10220, Thailand.

Abstract: As the basis of national economic development, the power industry group has a pivotal role to play. The supply chain finance based on the Internet communication technology adopts the enterprise information technology operation method, and makes accurate investment and financing analysis for the enterprise. The application of supply chain finance in the power industry group allows for a high level of operation and service in the power industry. The power industry group's plans and visions are being realised through a service approach that allows suppliers to operate financial products together through network information technology, which can give a boost to the development of the power industry, which is also a need for social development.

Keywords: Supply Chain Finance; Power Industry Group; Application; Analysis

1. Overview of supply chain finance

In the operation process of the enterprise, by the relevant process is carried out when the participants, in accordance with the order of participation, the common composition of a complex system of mutual management, with multiple chains and single chain form composition, can be a network of relationship structure, not limited to a single chain successive order of simple connection of the chain form. In the form of supply chains in the financial business, there are multiple economic agents involved, and therefore a net-like structure is predominant. In the practical application of the supply chain, the network of economic relations of the enterprises are in a net-like structure, crossed with each other in shape, which is a reflection of the complexity and diversity of the links of the economic agents of the enterprises. The enterprises in the supply network are all in a relationship of mutual influence and transactions, either in an indirect or direct way, which can affect the operations of other economic participants because something goes wrong at one node. Many companies are currently supported by the principles of the supply chain, production methods using JIT production methods, improved inventory methods, and methods to achieve cost reduction through production cycle control and inventory reduction. Allowing business production to change according to market demand and promoting increased business efficiency. The continuum of the supply chain is wider and a problem at any one node can cause a change in the wider environment.

2. The role of supply chain finance in the application of the power industry group

2.1 Low financing costs

The power industry group handles capital-related data, including data on the total amount of electricity, corresponding data on the total price of electricity, data on power equipment, etc., and new data is generated every day. The power group's supply chain financial services application process, the business of capital investment and financing to expand, combined with electronic credit records of suppliers corresponding to the qualification, try to make the cost of expenditure does not exceed the requirements of the financing standards. The power industry group electricity product pricing process, need to consider the cost first, including the purchase of substances, etc., most of which are purchased at market prices, in the procurement will appear to consume too much. When the power sector is applying the supply chain finance approach to management and expenditure, it is able to use the platform to have a clearer understanding of the fixed expenditure. Maintenance and input from the platform is carried out by way of electronic credit certificates,

and the amount of expenditure is fused, thus reducing the cost of the project. By using the supply chain, the power industry group has a smoother experience management than the traditional way. SCF in the power industry by building a supply chain financial system, in the project the power industry group compared to the realisation of the project in the channel, is required to carry out verification and analysis of the funds after making an assessment, in order to the use of funds, to identify the relevant problems. Bank loan is the group to deal with the risk of the way, in the power industry group did not take scientific management, bring the risk, need through the establishment of SCF framework, so as to finance to enhance, including broaden the channel, improve the method, innovative cooperation mode, etc., so as to carry out the reduction of interest-bearing liabilities, so that the benign development of enterprise capital management.

2.2 Centralized settlement management

In the process of supply chain finance application of the electric power industry group, it should combine with the current digital development mode, starting from the reform of the enterprise's settlement mode, so that the way of online settlement replaces the traditional offline financial management of the main mode. In the process of supply chain finance application, if the credit of the enterprise is not clear, it is through the use of exclusive software query method, so that the financial mode of the group is super more optimal transformation, and promote the development of the power industry group. In the electric power industry group, through the supply chain management project, into the group's investment and financing and other financial management methods, to be able to the traditional financial management, the use of funds and management lack of scientific methods, the application of SCT technology, to promote the management and allocation of funds system, can play a role in promoting the electrical industry group, and the role of mining the potential value of enterprises^[2].

3. Supply chain finance characteristics

3.1 Professional and technical characteristics

In the power industry group, through the use of supply chain finance, to promote the cooperation between enterprises and banks in many aspects, SCF needs to consider the economic benefits of the main, supply chain comprehensive benefits. Public construction, through the SCF for human, capital and management of commercial credit applications, to strengthen the stability of enterprises, not because of the "barrel principle", so that the group development has a short board.

3.2 Operational centrality

In the power industry group, in the process of financing through supply chain finance, it is necessary to manage the operation of credit repayment. In the operation of the enterprise, it is necessary to consider how to improve the value of self-reimbursement, credit enhancement, the enterprise capital income and product sales, are combined with the repayment situation, the combination of consideration, the expected repayment standard estimates, so that the bank to issue loans more efficient operation. This is also the power industry group, through trade and business to strengthen the cooperation with commercial banks, the credit value of the enterprise can also be improved.

3.3 Low financing risk

SCF in the enterprise in the transaction or other supporting activities, can be used as a practice object, the definition of the objectives of financing, so as to obtain the operation of trade information, more effective for the misappropriation of funds, can reduce the business risks of enterprises, so that SCF financing more secure^[3]. The assessment of risk, the definition of the object of financing for the application of SCF in the power industry group, is carried out through the trade conditions of the object, which can reduce the risk of capital investment and play a role in increasing the effectiveness of the enterprise.

4. Application of supply chain finance in the power industry group

4.1 Supply chain finance promotes innovative management methods for power industry groups

With the development of social technology, new technologies are also emerging, in the application of supply chain finance in the electric power industry group, the supply chain development methods adopted by enterprises need to be introduced to the financial

model of innovation, how to carry out. Under the innovative requirements of supply chain finance, the supply chain finance platform of information technology must be personalised and applied to develop relevant service products to serve the enterprises. Based on the transaction model standard, the intensive cross management of data information technology is adopted. The staff of supply chain finance, basically using the ERP platform, carry out the relevant analysis work, giving relevant data and network processing for the operation of SCF, standardising the transaction verification of items such as accounts receivable, fixed assets of the enterprise, turnover materials in production, bank deposits in the public account of the enterprise. The mode of processing, assessing the costs to be monitored, provides more accurate data for digital management validation. Risk-based processing is required in all cases of financial risk control in enterprises. Among them are insurance companies for financial management, guarantees, etc., all of which facilitate financial risk control at a later stage. Reinsurance company for guarantee, payout, financial management and buyback of the way to the supply chain, have a role in promoting the development.

4.2 Supply chain finance in the power industry group in the way of order financing

In the order execution of the electric power industry, the electric power industry group on the purchase of materials, equipment and production technology, to study. Combined with the purchase of materials and equipment expenditure costs, after the purchase of the order, it will open the personnel management process, to pay for the funds, to rationalize the transformation. After the relevant items have been purchased, sufficient costs need to be paid and the total amount of funds required for the platform is high. When the business related to the power industry is carried out, it is time to make a forecast of the total amount of money to be purchased, based on the amount of money. The power industry group needs to carry out the relevant total amount of funds, the guarantee in the business development, through the business scale and production and sales situation, the enterprise can to the production task through the authorization of the way, promote the power supplier's to carry out the amount of analysis and other aspects of the authorization of the operation, let the financing more standardized and more legally valid.

5. Conclusion

The supply chain finance of the power industry group can play a good role in the investment and financing of enterprises and other aspects. Power industry group supply chain financial services need to be scientific and institutionalized in order to still financial management investment more effective. At the same time in the power industry group of financing options, need to combine the bank's credit certification, in order to better grasp the group's scale of procurement and management and other aspects of a bit, for more in-depth development.

References

- [1] Chen K. Research on countermeasures to promote the digitization of agricultural supply chain finance in the context of financial technology [J]. *Agricultural Economics*,2022(11):119-121.
- [2] Li P. Digital intelligence technology accelerates the innovation of supply chain financial service model[N]. *Financial Times*,2022-11-14(007).
- [3] Liu X, He MQ,Wang Wanting. Exploration of agricultural supply chain finance model based on Internet platform enterprises ——Jingdong supply chain finance as an example[J]. *Contemporary Economics*,2022,39(11):90-97.