



MACM Annual Credit Conference - 2026

Celebrating MACM's 25th Anniversary

Protecting Cash Flow

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On **Thursday, 16th April 2026**, the Maltese business community, Members of MACM, will gather at **Trident Park, Birkirkara** for the **MACM Annual Credit Conference, 2026** — an event that this year carries special significance as **MACM** celebrates its **25th Anniversary**.

Delegates attending this landmark conference will not only benefit from valuable professional insights, discussions and networking opportunities but will also receive a commemorative gift marking the occasion. Drinks after the conference will follow - a fitting celebration of a quarter century supporting Maltese businesses.

Why “Protecting Cash Flow”?

Clichés about cash flow are endless — *“Cash is king”, “Turnover is vanity, profit is sanity, but cash is reality.”* Yet behind these well-worn phrases lies a harsh business truth:

A company can be thriving in sales and still collapse due to lack of cash.

Malta has witnessed this reality firsthand. Several businesses boasting impressive sales turnover were ultimately unable to meet their obligations and pay suppliers. In some cases, suppliers are still awaiting payment, with proceedings echoing in our courtrooms and memories still fresh within the local business community.

High turnover does not guarantee liquidity. Without healthy cash flow, even profitable companies can fail.

The Domino Effect on the Economy

Poor cash flow management is not an isolated issue. It creates liquidity pressures that ripple across sectors.

Late payments frequently trigger a vicious cycle:

Businesses cannot pay their suppliers because they themselves have not been paid by their customers.

This domino effect weakens supply chains, strains relationships, increases legal disputes, and ultimately affects the wider Maltese economy. When liquidity dries up in one sector, it spreads quickly across others.

Chasing long-overdue bills or initiating court proceedings may address symptoms — but they rarely cure the root cause.

A Proactive Approach: From Reaction to Prevention

Modern businesses must move beyond reactive debt collection. Protecting cash flow requires:

- Knowing Your Customer
- Monitoring market trends
- Gaining and sustaining competitive advantage
- Using reliable commercial information and business intelligence
- Sound financing

Today, access to accurate, up-to-date information is critical — regardless of a company's size or sector. The more informed a management team is, the better its strategic decisions can be.

MACM's Role in Supporting Maltese Businesses

Responding directly to feedback from the Maltese business community and in line with local commercial needs and legislation, MACM provides robust information systems and databases accessible online 24/7 to its members.

The primary goal is clear:

“To assist local firms in protecting their cash flow and securing long-term profitability”

This benefits not only business owners, but employees, suppliers, and the broader Maltese economy.

Firms today require:

- Cost-effective, real-time information
- Tools to identify profitable sales opportunities
- Systems to monitor existing customers regularly
- Early warning signals for potential credit risks

Businesses simply cannot afford losses resulting from insufficient or poorly used information – *MACM has been providing such data and tools for the Maltese business community since its establishment, 25 years ago!*

What Causes Cash Flow Problems?

Cash flow difficulties arise from multiple factors. Studies and practical experience within the Maltese business environment identify common causes:

1. Undercapitalisation & Overtrading

Rapid growth without adequate working capital can strain liquidity.

2. Stockpiling

Excess inventory ties up cash that could otherwise fund operations.

3. Heavy Investment in Fixed Assets

Purchasing instead of leasing can drain working capital unnecessarily.

4. Excessive Gearing

Loans must be serviced. Poor balance between debt and equity increases financial pressure.

5. Poor Management

Unskilled or inexperienced leadership undermines financial discipline.

6. Unforeseen Expenses

Emergencies happen. Without provisions, they destabilise liquidity.

7. Changes in Demand

Unnoticed market shifts lead to reduced sales and idle stock.

The Most Common Local Cause: Poor Credit Management

In Malta, one of the most frequent causes of cash flow problems stems from improper management of credit customers - commonly referred to as **“Debtors”**.

Weak credit management practices lead to:

- Late payments
- Bad debts
- Erosion of profit margins
- Strained supplier relationships

Credit management is not merely an administrative function. It is a **critical strategic business function** that should focus on:

- Assessing creditworthiness before granting credit
- Setting appropriate credit limits and terms
- Monitoring customer behaviour
- Acting swiftly at early signs of difficulty
- Maintaining structured collection procedures

Why The MACM Annual Credit Conference - 2026, Matters

The theme **“Protecting Cash Flow”** is therefore not theoretical — it reflects real challenges faced by Maltese businesses.

As MACM marks 25 years of service, this conference aims to:

- Inform the business community about the current geopolitics and economy and its effect on trade
- Raise awareness of the real risks behind poor cash flow management
- Encourage proactive credit practices
- Promote the use of commercial intelligence tools
- Strengthen resilience within the local business community
- Innovative business financing

Protecting cash flow is not simply about safeguarding one company. It is about strengthening the entire economic ecosystem.

On this milestone anniversary, MACM reaffirms its commitment to supporting Maltese enterprises with the tools, knowledge and systems they need to thrive sustainably.

Because ultimately, **a profitable business without cash is a business at risk!**