

## CMC Markets - Brief

# Enterprise in the fast lane

### Introduction

New business would not exist without entrepreneurs. This is the name given to those people who take risks by setting up business ventures. They use enterprise skills. It is hard work and personally challenging to run a business. CMC Markets is an online trading company. It buys and sells stocks and shares. Peter Cruddas set up CMC Markets after he spotted a gap in the financial markets. He developed a product to fill it, based on the new technology of the time - the internet. As the first business to do this, he gained 'first mover advantage'. Peter's system allows many different types of trade through a single account. Competitors needed many accounts to do the same job. This software gives CMC Markets the advantages of being cheaper and easier to do business with.

### Entrepreneurship

Entrepreneurs take risks, come up with ideas and organise.

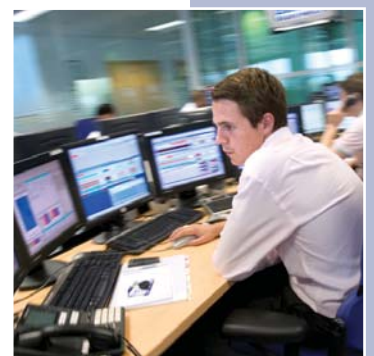
Peter Cruddas did all three. He:

- took the risk of starting his own business
- spotted a gap in the market
- organised CMC to achieve results.

Peter started out working in a bank. At work he learned about trading in foreign exchange. By the time he was 36 he had saved up enough money to start his own business. He called it Currency Management Consultants (CMC). The gap he spotted was providing foreign exchange to Middle Eastern banks. (A war in the Gulf had stopped other banks from doing this.) Later he worked with a software writer to build a system that allows instant trades in many markets. His organisational skill and enterprise are shown by the way CMC Markets has grown.

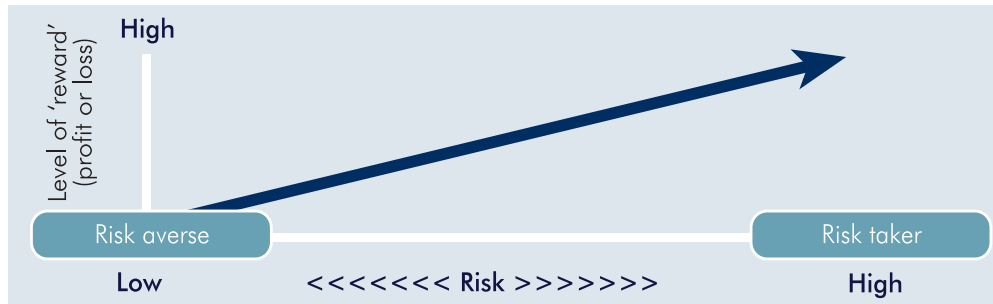
### Why be an entrepreneur?

Entrepreneurs seem to have certain characteristics. They are keen to succeed. They are willing to take risks. They enjoy a challenge. They also tend to find business enjoyable.



## Risk and reward

There is a trade-off between risk and reward. 'Reward' can be profit or loss. A high risk gives a greater chance of reward.



Peter took a huge risk in setting up CMC. He even risked his own money. He reduced the risk by doing market research. He talked to possible customers he knew from people in finance. Peter's puts success down to:

- taking risks, but spreading them
- making sure always to have a steady income
- hard work
- keeping control
- having many types of customer
- coming up with new and unusual ideas.

## Support for business start-up

Peter Cruddas believes in helping fellow risk takers to start their own businesses. He supports both the Prince's Trust and the Duke of Edinburgh Award scheme. The Duke of Edinburgh Award helps young people develop skills. It also helps them to be more confident and to take risks. The Prince's Trust, set up by Prince Charles, helps young people set up their own businesses. Peter is the single biggest donor to this scheme. Young people can also get support from government schemes such as grants, cheap loans and advice.

## Conclusion

Being an entrepreneur is not for everyone. Peter has achieved his position through hard work, careful planning and risk taking. He also has a keen eye for new ideas.

