

CMC Markets - Summary

Enterprise in the fast lane

Introduction

Entrepreneurs are people who take risks by setting up business ventures. It takes hard work and the ability to face a challenge to make a business profitable. Peter Cruddas is an entrepreneur who set up his business CMC Markets, having spotted a gap in the financial markets. He developed a product to fill a need, based on the new technology (at the time) of the internet. As the first to do this, he gained 'first mover advantage'. CMC's system allows many different types of online trade through a single account, rather than the many accounts used by competitors. This software development has given CMC Markets the advantages of being cheaper and easier to do business with.

Entrepreneurship

Entrepreneurs take risks, innovate and organise. Peter Cruddas:

- took the risk of starting his own business
- spotted a gap in the market
- organised his business by planning, creating systems and employing the right people.

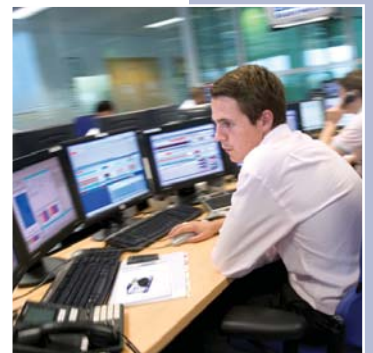
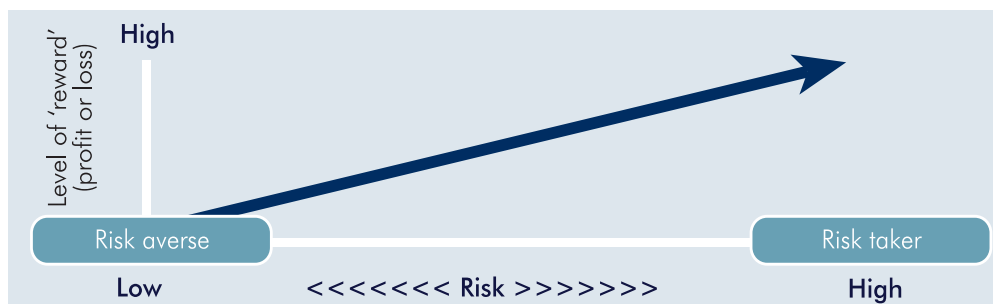
He started out working in a bank where he learned about trading in foreign exchange. By the time he was 36 he had saved up enough to start his own business called Currency Management Consultants (CMC). The gap he spotted was in providing foreign exchange to Middle Eastern banks. Later he worked with a software developer to build the system that allows instant trades in many markets.

Why be an entrepreneur?

Entrepreneurs are willing to take risks to create a product or service that people will pay for. Crucially, they also tend to find business both a challenge and enjoyable. These are characteristics shown by many entrepreneurs. Some entrepreneurs like to repeat the process of developing a business to sell it on. Peter has stuck with the business he believes in.

Risk and reward

There is often a relationship between risk and reward - the higher the risk, the greater the chance of reward. 'Reward' can include both profit and loss.



Peter took a huge risk in setting up CMC, especially as he used his own capital. He reduced the risk by researching the market and talking to potential customers. Peter sees the critical factors for having a profitable business are:

- taking risks, but spreading them
- making sure always to have a regular income
- hard work
- controlling the business
- having a wide customer base
- introducing new, innovative and non-conventional ideas.

Support for business start-up

Peter Cruddas believes in helping fellow entrepreneurs get their business started. He supports organisations like the Prince's Trust and the Duke of Edinburgh Award scheme. The Duke of Edinburgh Award helps young people develop skills and confidence through activities. The Prince's Trust, set up by Prince Charles, helps young people set up their own businesses. Peter Cruddas is the single biggest donor to this scheme. Young people can also get financial support from government grants or loans.

Conclusion

Being an entrepreneur is not for everyone. Peter has built an established and profitable business through hard work, careful planning and risk taking. He has also had a keen eye for new ideas.

