

## Mastering Problems in your trading journey (part 1)

We know that there is no easy quick-fix to developing wealth.

### **Consider this....**

.....How many of you who are in salaried employment moved straight from no experience to a position of seniority and expertise in whatever field you chose to work in?

Chances are that path was relatively slow; you may well have had to study either formally in an education institution or through a period of on the job training and supervision. There were undoubtedly times when you hit problems...problems with learning the next skill that seemed so difficult, problems on the job when unexpected things occurred that were new experiences for you,

and perhaps times when you had to deal with difficult situations.



Although often tough, these situations will have contributed to your growth as an employee, gave you invaluable experiences that you could draw on in the future and potentially created the opportunity for promotion and reward.

Tell me, **why then should you expect your investing journey be any different? Why do some expect wealth to drop easily into their lap?**

The reality is that most people will not become wealthy because they will either perceive that starting that the journey is too difficult (or in other words “too much of a problem”).

The majority that do overcome that first set of problems and actually start soon give up when faced with new problems and realise that perhaps it is not the quick fix that they seem to feel is their right, subsequently give up and go onto the next doomed scheme which again will be short lived in duration when problems occur.

‘Problems’, as we term them, **are a fact of life, necessary for growth of us as individuals, communities and the human race in its entirety.**

Every new invention, life-saving drug, life-changing discovery has occurred because someone, somewhere, sometime identified a problem and chose to find a solution. Problems may serve a protective function to highlight things we need to know or do, and the reality of it all in simple terms is that the only time you will no longer have 'problems' is when you are feeding worms and no longer on this mortal coil.

So on to taking the context of problem management and applying key concepts to your trading.

So what may constitute a trading problem?

The obvious is a trade that has gone wrong way resulting in a capital loss; this may be over a number of trades. Often this is too simplistic, as an equal problem could be that you are not optimising profit.

In broader terms I would like to suggest that **a trading problem is not only the above but rather anything that affects your ability to have a plan, trade a plan or reviewing your plan in the way you KNOW you should do.** Any deficit, in any of these three areas can result in a capital loss.

Invariably it is this, rather than a hunt for the holy grail of technical indicator to add to your game, that will make a difference on a sustained basis.

Let us start with probably the number one key issue, that of **your attitude to trading problems.**

There is essentially one of two camps you will fall in.

Firstly you can perceive problems that occur in your trading as a threat of, or actual, loss of something important, something to beat yourself about or worse attach the blame to others. Perhaps you see these problems as a threat to your competence becoming fearful of continuing to invest, decimating not just capital but more damaging going forward, your trading self-esteem.

The second, and one could strongly suggest, more constructive way to look at trading problems is to develop an attitude of that mentioned earlier, to see it as necessary for your trading growth, an indication that something could and should be better in your trading game if you want sustained success.

Examples of such could be identifying a gap in knowledge or the way you organise yourself when trading, or simply the need to follow through on a trading plan you have developed. **The attitude here is one of building your trading 'muscle' so you can remain strong and do the right thing in any market.**

The law of natural selection is based on the survival of the fittest. Applying that concept to your trading should you be as fit as possible? Of course this makes sense and here's the fact, **it is experiencing, identifying and addressing problems that will provide you with that trading fitness to not only survive, as many traders wont, but also thrive on a sustained basis.**

I have a close friend who I play football with on a weekend. This guy is incredibly fit, with the enviable sculptured frame. I asked him how he developed the 'look', fitness, confidence and stamina that allow him to perform at such a high level on the pitch. He outlined his regime of daily nutrition and fitness regime suggesting that he has developed over a substantial period of time having to work hard pushing weights and exercising through his previous resistance levels. Without going into too much detail the key word I figured is the concept of pushing through resistance, without this he would not have developed the muscle and stamina that he has today.

So bringing this analogy back to your trading practice, seeing problems that you encounter in your trading practice as **resistance that you MUST push against and conquer**, to build your trading decision-making muscle seems logically the only way you can move to the next level of success.

Think for a moment in terms of where you have come from to date as a trader. Things you once saw as problematic, perhaps a concept you found difficult to grasp, may now no longer be a problem. What was probably difficult for you before is now easy, as you have pushed against the resistance initially created by the problem. The only reason you were to get to a place of mastering that problem was an attitude that enabled you to push through. That attitude in turn enabled you to make good choices and adopt the behaviours necessary to develop sufficient trading muscle to overcome any barrier that our first group of individuals would never have achieved.

**Now take a moment to celebrate where you are now.**

Moving forward, there is a five step approach to dealing with those trading problems and develop decision-making muscles to serve you for a lifetime of trading.

Your article of the week next time will look at that these 5 steps may are. In the meantime..print this article off, highlight those sections which resonate with you and TAKE ACTION

Happy Trading

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