

Mastering Problems in your trading journey (part 2)

Welcome to the second part of your mastering problems article...I hope your trading week has been problem free but if it hasn't time to move forward with power.

At the end of the first part you were told to

“Now take a moment to celebrate where you are now”

Did you??

Also in moving forward, you were told 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 will look at that these 5 steps that you can take to be in a position to use problems for power .

With this weight of evidence behind this concept here is a five step approach to dealing with those trading problems and develop decision-making muscles to serve you for a lifetime of trading.

a. Examine the meaning you are attaching to problems in your trading practice.

If you feel angry or upset when things don't go well, focus on the problem and indulge in blame placing this will NOT serve you well. It is of course right to acknowledge that there is a problem so perhaps 20% of your focus should be on this (we will talk about this next) but at least 80% of your focus should be on how you can use this problem to find a solution that you will be able



this time AND in even similar circumstance going forward. This is how you will develop real trading POWER.

See the meaning of the problem as a necessary even if it is a little painful financially) as way you can grow..forever. Remind yourself of how breaking through previous problems have served you well and how good it feels to master something you once found hard. You may have to change your language to put your mind in the right place to deal with it. Although I have and will continue to use the word 'problem', to use the term challenge may be helpful. The way you talk about a loss may also be worth exploring. We know that keeping any loss in any trade small in terms of dollars is the path to sustained success. Hence this is a good trade! If a loss isn't small you could use something like 'a trade that i could have improved on' rather than a devastating loss (or whatever internal language you currently use). To help here is a suggestion. Separate a page into 2 columns. In the first write the current language you are using, internally or as you describe the trade to others. In the second write the alternative that will serve you better. Ask yourself some good questions, rather than why does this keep happening to me (and by the way if this is your question then chances are it will keep happening to you), ask yourself how can i use this situation to become a better trader.

b. Develop trading honesty

Firstly you must acknowledge there is a problem, you could and should have done better in terms of dollar outcome. Again you need to avoid behaviours that will not serve you. To bury your head in the sand, hope the situation will go away, is likely to result in not only a potential extension of your capital loss in this trade but also is likely to occur again and again.

You MUST take responsibility, be accurate in your assessment of what has happened and the extent of the problem and see it for what it could become if you choose not to address it NOW. This will give you the right platform for effectively managing your situation

c. Review your trading state

Think about how you are, or rather how you feel, if a trading problem occurs (or any problem for that matter). What emotions do you let run riot? what is your posture like? Do these contribute to good decisions moving forward to address the problem? If like many these don't then changing your 'state' is essential.

Producing a good personal 'state' for trading involves:

- being aligned with purpose,
- trading according to your plan
- and a determination and discipline to follow through on any actions you need to take.

As well as being essential for you NOW, looking at actions moving forward, these three should be part of your daily trading ritual. Stephen Covey (7 habits of highly effective people) discusses the need to realign daily with your goals...this is no different in your trading context.

d. Hunt the solution

To breakthrough your current problem and to provide you with the strength to ensure you can anticipate and deal with similar situations in the future you need to vigorously and with what the scientific community call rigor ALL potential solutions. Then and only then can you move forward with your plan A, and of course if plan A doesn't work to give you your breakthrough then developing a list of potential solutions should give you a Plan B ready to try immediately. It may be an attitudinal, behavioural or educational solution or even perhaps a combination solution of a number of different actions.

e. Develop certainty for the future

Developing certainty is a necessity to make optimum decisions on a sustained basis. The POWER created by knowing exactly what to do when faced with a problem is key to positive outcomes in your trading career.

Recording the problem and how you have successfully achieved breakthrough to take you to the next level of trading practice will serve a few purposes:

- It will enable you to celebrate on a sustained basis your progress and successes. There is no greater motivator going forward than success. Additionally knowing that you have successfully dealt with one problem, the experience of working through it irrespective of the pain will undoubtedly serve you in terms of process when different problems arise in the future.
- It will enable you to express gratitude. Many authors these days in the personal development field discuss the positive mindset the ability to be thankful for what you have and who you are. A reminder of this through expressing gratitude helps to create

the belief systems and self-esteem that means that you are developing strength as a trader on a continuous basis.

- Serve as a reminder about key landmarks, and more importantly the trading purposes you have already been able to tick off as achieved. This is where you will draw strength from when you set more adventurous trading purposes for your future.
- Enable you to recognise problems as something to use rather than something to fear

To finish off and as you make the choice as to whether you will action any of this or not, I would like to ask you a question. If you can learn to successfully deal with trading problems how will it make you feel to **KNOW that whatever happens in your trading career you KNOW what to do?**

The position of POWER, EXCITEMENT and POSITIVE OUTLOOK that being in this place is surely worth choosing to take ACTION.

So now.....print this article off, highlight those sections which resonate with you and TAKE ACTION

Happy Trading

Mike Smith

Comments welcome to mike@horizonprofessional.com