

‘LUCK’ matters

I do not believe in *luck*, but if you do believe in it I recommend the following - my recipe for improving your *luck*.

L – Learning to take responsibility for our mistakes

This is liberating. When we admit that we failed by doing _____ or by not doing _____ then we are free to move on to the greater task of overcoming that mistake next time. This is how Thomas Edison invented the light bulb – 900 tries before he got the right formula. He made a boat load of ‘mistakes’ before he won. He did not keep trying the same formula in endless repetition. He eliminated one as a possibility and moved on to the next. Traders who get a clear and even visceral grasp of their mistakes are more likely to swerve away from them the next time the same set of conditions line up on their chart. Never stop learning. Keep a journal of what you learn.

U – Using every tool or fair means we can find

We are only cheating ourselves if we overlook good tools and useful information. This does not mean we are looking for the easy way out, but the smart way up. You can make firewood with an ax, a chainsaw or a pocket knife. Using the best information and methods should increase our efficiency in making the bad into good or making the good into better or making the better into best.

C – Control risk

Every successful trader or business person I either read about or talk to emphasizes over and over that one of the pillars of success in business is to control risk. Money management is key. It cannot be overlooked or put on the back burner. Eventually you will be burned. Your long term success depends on the discipline of controlling risk.

K – Keep working at it

What can I say about this that has not already been said or written? One thing is for sure - persistence pays off especially when you learn from your mistakes, use the best tools/methods you can find and control risk.