

Winners Simply Do What Losers Won't Do

Adopting the belief that “winners” simply do what the “losers” will not do is very useful in many aspects of life. After all, that is the case in the field of investing and trading. So let's step into that belief and see what naturally follows.

Here are some winner/loser opposites. If you find yourself disturbed by any of these, you may have stumbled across a clue to an area in which you need to spend some time. Use all the tools you have learned from the Peak Performance Course to investigate ways to step beyond and overcome your limitation.

A winner crafts a detailed business plan which includes on-going reviews and sticks to the plan.	A loser thinks a business plan is something he'll get to one day in the future after he has achieved some success trading.
A winner designs systems with high positive expectancy, sound money management strategies, minimal degrees of freedom to avoid curve fitting, and then puts the system into his business plan for implementation. He lets the market determine the outcome.	A loser has a continually changing system/methodology based on whether or not the last few trades were winners or losers. He is scared of what "may happen to him" in the markets in the future. His position size is controlled by whims and notions. His exit points vary depending on how fearful he is of giving up open profits or how hopeful he is that a losing trade will turn around.
A winner knows that his method will provide the long term return he is after if he implements it correctly.	A loser thinks he has to continually be looking for a new indicator to eliminate having to enter trades that lose money.
A winner knows deep in his heart that he is completely responsible for the outcome of each and every trade.	A loser assumes responsibility for winning trades while blaming floor brokers, brokerage firms, hedge funds, international news events, or simply "the market" for losing trades.
A winner is not trying to prove anything about himself through his trading activities.	A loser thinks he's the master of the market, closing a big winning trade, and then gloats in his outstanding success he had "beating" the market.
A winner knows he's a winner even after an expected 12 losses in a row.	A loser is sure he's almost worthless as a person after 5 losses in a row.
A winner realizes that he produces the emotions he experiences related to trading and assumes responsibility to resolve deep-seated root causes for negative emotions that interfere with his trading business.	A loser knows that it's the market that causes him to feel depressed or angry, and he's determined to fight this beast.
A winner gladly shares trading advice to less experienced people.	A loser thinks that he needs to look cool as a suave trader and talk down to those less experienced than him.

A winner is aware that his methods and systems may require modification as time proceeds, and he develops appropriate boundaries of performance which will indicate whether or not he needs to review his system.	A loser is sure that all he has to do is find "the right system or method" and then he will forever more be able to sit back and enjoy easy profits. He feels slighted by professional traders since they claim not to have any great secret indicators, and he "knows" they're lying to him.
A winner understands the level of capitalization required to successfully implement his trading business plan.	A loser thinks that his \$5,000 account is a great start for trading highly leveraged commodities, and the day he opens the account he feels like he's really off to the races now.
A winner knows that it is up to him to develop the skills necessary to create, test and evaluate sound trading systems and methods.	A loser knows he just hasn't looked hard enough to find that special system someone has created which will bring him all the wealth he's ever dreamed of ("damn those professional traders - if only they would tell me their secret indicators").
A winner looks forward to opportunities to give back to the world some of what he has learned along the way to becoming a successful professional trader.	A loser knows he has to keep everything he learns secret since if anyone finds out where he places his one lot stop orders, then they will try to run the market to his stops to hurt him.
A winner who goes long on an upside break-out only to be stopped out at the bottom of the correction of the failed break-out four days later can simply reenter on another upside break-out a few days later.	A loser in the same trade gets mad that the market retraced all the way to his stop and then reversed. As prices rally back through to a second break-out he gets even madder since he's not in the trade he tried to take. Two months later after a tremendous rally, the loser is so angry at the market for what "it's done to him" that he finally buys (just days from the top of the move).
A winner runs his trading business wisely—carefully managing his fixed and variable costs of doing business and making capital investments which provide a worthwhile return to his business.	A loser spends all the money he can afford to buy the latest computer hardware and the hottest (best marketed) trading software he can find—with no understanding of the return expected from his investments.
A winner knows he needs to continually work on his feelings and emotions related to his trading business as he grows in success and equity.	A loser knows that he only needs to buy additional software and systems and perhaps attend the "latest guru's" trading method to achieve what he's after.
A winner knows what his goals are and he has criteria established to measure his level of achievement.	A loser's goal is "being rich", and he's sure that it's only a matter of finding the "right" answer for how to trade.

The above article is excerpted from an archive edition of Market Mastery,
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