

Everybody gets what he or she **needs** from the market.

People undertake projects in their lives to satisfy their personality needs that are derived in part from their heredity and in part from their environment. Satisfaction of needs is a very powerful driver, yet needs reside well below the tip of the iceberg of observable behaviour. An unmet need gnaws away below the surface, causing dissatisfaction and sometimes havoc. When needs are met, satisfaction and well-being result.

Why do you trade or aspire to trade successfully? Most answer this question: “to make money”. Why do so many fail to do just this? Why is it that so few in this business do achieve and sustain superior returns over the long haul. As a success coach I have noted that many approach this business in ways that that subvert the goal “to make money” yet in a perverse way attempt to satisfy unmet needs in their life through unconscious sabotage of their market success.

In my work with many traders I have observed that other needs can often overshadow the obvious needs for competition and success. Some of these counterproductive needs include the need for action in a never-ending event, to be admired as a big time risk taker, for sympathy as a loser, for revenge against ‘unfair’ conditions, to rebel from family expectations, to annoy the spouse, or to escape from the mundane.

Could this explain why so many cannot join the top band of really successful traders? Could this explain why many cannot or are not motivated to successfully implement their analytical signals and trading ideas into a systematic businesslike approach?

Listen to the successful market master Ed Seykota, Lake Tahoe, California:

“I think if people look deeply enough into their trading patterns, they find that, on balance, including all their goals, they are really getting what they want, even though they may not understand it or want to admit it...”

I have worked with a number of traders in order to examine their priorities and align their goals. I use a combination of hypnosis, breathing, pacing, visualisation, gestalt, massage and so forth. The traders usually either (1) get much more successful or (2) realize they didn’t really want to be traders in the first place.”

From “Market Wizards”. J.D. Schwager. New York Institute of Finance. 1989. Pp 172, 173.

Do you really want to be a successful market player or are you content to use the market to allow you to play out your subconscious needs and wants? The equity in your account will reveal the answer. If it is not growing substantially then you have work to do on clarifying your motivation and needs satisfaction. If you are breaking even or making substantial loses, the outcome reveals much about your subconscious drive and desire for your market participation.

There is another twist to the question of needs satisfaction as it applies to your market participation. While it is true that we as humans have a similar need set that drive our behaviour, such as the need for self-actualisation, we do satisfy our needs in unique ways that reflect our own personality. In my work in assisting clients I have observed that a breakthrough for success occurs when they identify and implement a personal approach to the business of trading. Just read the “Market Wizards”. Each super-trader’s approach is unique.

It is ironical but understandable that so many newcomers to trading want to mimic the successful approach of someone else. If their personality, needs, life experience and capital base is identical to their guru then mimicry might be successful. But to sustain superior returns over a long period then you have to develop and blend an approach that suits your own personality, needs and aspirations.

Your needs profile

Your individual needs can be identified and categorised into one of 4 need types that apply to life in general, relationships, social situations, work, and of course trading.

We can pin down your preferred needs satisfaction into one of these need types:

- Recognition
- Social
- Security
- Achievement

In general terms what are the characteristics of each of these needs categories?

In general behaviour, a person with high **recognition** needs:

- Enjoys being the center of attention
- May spend a lot of time on self-presentation
- May not work well in groups but when involved enjoys reporting
- Tends to be domineering and controlling

High **social** needs:

- Tends to be very outgoing, social and friendly
- Usually needs the company of other people
- Usually accepting of other people and their ideas
- May appear a little unconventional and not very serious

High **security** needs:

Generally keeps in the background
Although not loud, does like having others around
This person is generally loyal and dependable
Often quiet and unassuming
Do not expect this person to be an instant decision maker.

High achievement needs

Tends to be very individualistic, persevering and achievement oriented
Often very interesting and a forward thinker
Does not know what second place is. Extremely competitive
Usually speaks well and forcefully
Tends to naturally take control

Your personality needs can be determined by a questionnaire profile that is sourced from the Australian Institute of Professional Counsellors. This profile is not a party game and does need professional administration. The profile itself takes only a few minutes but the implication of it in various life situations does need to be handled professionally. If you want to do this profile then consult a Counsellor who is authorized to administer it, or contact me and we can proceed over the phone if not in person.

How does this profile and personal information apply to investing and trading? Below I have identified the implications of needs satisfaction for each personality type. Can you identify yourself? Does any need type ring true for you?

Type A: Recognition.

Strengths: forcefully drive to achieve recognition as a successful trader
: works better on short-term trends, quick decision maker
: versatile, change tack quickly, trade long or short

But : easily discouraged, wants to be “right”
: likes to be seen to be doing well
: can put recognition before profit, impulsive at times

Type B: Social.

Strengths: strong trend follower
: good market listener, goes along with the market
: implementer of trading systems developed and used by others

- But** : particularly susceptible to “market psychology”
: likes to pursue tips, and ideas from friends and the media
: slow to recognize trend changes, likes the “safety” of the crowd

Type C: Security

- Strengths:** likes detail and works hard and consistently towards goals
: doesn't have outlandish expectations, works best with long term trends
: disciplined in applying an established trading system

- But** : conservative in risk taking, needs reassurance from others
: likes to have all the information before taking action
: can become tunnel-visioned, inflexible

Type D: Achievement

- Strengths:** achievement oriented, aggressive will to win, competitive
: creative and enthusiastic, independent
: innovative, likely to develop personal trading ideas and systems

- But** : can fight markets, need to prove the market is wrong and they're right
: always looking to pick tops and bottoms, can override trading signals
: personality most likely to make and then lose a fortune.

Hopefully now you can see the needs basis and direction that you bring to bear in your trading. In terms of needs it's very important to realise that *strengths overused become weaknesses*. For example if you have high recognition needs you will be versatile but impulsiveness may be your downfall. If you have high social needs, trend following is your forte but if the crowd is losing then you might be happy to lose too. If you have high security needs you will be diligent but possibly too conservative in risk taking. If you have high achievement needs you possess strong will to win but you must guard against the need to want to be right all the time, and learn to flow with the market.

Conduct a detached **review** of your own trading record as if you are an outside observer. What does it reveal to you about your intrinsic motivation and expectations of your involvement with the market? What need(s) are you really satisfying by your participation? Is the satisfaction of this need at the expense of making consistent profits? Would you be better off satisfying this need in other less emotionally and financially expensive ways? Is your analytical methodology and your trading system compatible with your need type?

I conduct such a review with all my clients and the process seems to be liberating for them. A powerful unmet need loses its grip on your trading when identified and dealt with.

Everybody gets what he or she needs from market participation. For most it is **not** operating a successful trading business. Can this situation be addressed? Yes, by bringing your needs to the surface you can identify your strengths and deal with



potential pitfalls. You can adapt your trading behaviour for success. A big impediment in your quest to “make money” is removed.

If you want to undertake the profile to pin down your need type then telephone Chris on 07 32784066. It will take 5 or 10 minutes and of course is complimentary to AIA members.

Chris Shea.

chris@themarketcoach.com

www.themarketcoach.com