

## Stages of Development of a Trader

When you read about expert traders in books such as “Market Wizards” you must be amazed with the ease and poise with which they conduct their business. Why are they experts, and how did they get there?

Expert traders are in complete control of themselves and their considerable accounts in all market conditions. They know that with their experience and nous they will prevail and succeed. They perform their business tasks, namely to stop losses promptly, to take every anticipated trading signal, and to ride their winners, with consummate ease and confidence, despite the fact that they have no control over the market. Not only are they in complete control of themselves but also they can choose their level of return from their business activity.

How did they get there and can you do it too?

Let’s examine the 4 stages of development in any field. They are:

- Unconsciously Incompetent
- Consciously Incompetent
- Consciously Competent
- Unconsciously Competent

Of course expert traders work mostly at the unconsciously competent stage where the hallmarks are vast experience, perceptiveness, creativity, adaptability and guidance by principles arising from a deep understanding of their business.

On the other hand those working at the unconsciously incompetent stage don’t know what they don’t know. Here we can include those who have developed some expertise in technical analysis but don’t realise that successful trading requires skills that are different. These people dabble with trading a bit then move on in disillusionment. This is a pity because if they have the aptitude they could learn the appropriate skills and move towards trading success.

Those in the consciously incompetent stage will commit to learning their job and gain some experience with trading. They are able to recognise recurring aspects of their situation and begin to apply general guidelines. However they find it difficult to prioritise and remain tentative, really only taking each day and trading situation as it comes. They find the going tough and will probably burn their accounts away if they cannot promote to the next stage.

Traders who are consciously competent have integrated their skills and experience in trading markets into a long-term perspective so that viable and successful trading plans are implemented. Competent traders know what is important and what is not. They have personalised their analytical techniques into an efficient personal trading style that gives them a feeling of mastery so that they can cope with most market situations. They know that following their rules and implementation of their plans without hesitation is conducive to success. If they persist and evaluate their work they could move into the unconsciously competent arena to experience the success that experts have.



Can you become competent and then proficient as an expert?

Yes, if you have the aptitude, tenacity and commitment to learn and apply the trading skills with your own personality to develop your own decision-making and trading style.

Coaching can assist you with the process of moving through the stages to become and remain a competent and proficient trader. Your aptitude for trading can be ascertained. Any conscious and unconscious barriers to your success can be identified and dealt with. With coaching supervision you can learn to apply the trading skills in the trading gymnasium setting. Your progress can be monitored and improvements implemented to your overall trading system. With coaching you have a source of motivation and review. Coaching is important too for those working at the expert level because those who are unconsciously competent are in danger of taking their success for granted. Coaching can help experts prevent from rusting out.

Can you become an expert trader? Yes if you are willing to choose to work through the stages and insist on your personal control in all market situations. But remember, above all, an expert loves to trade and loves to succeed.