

You can become great at almost anything. Here's how...

From Shane Parrish at [Farnam Street](#):

Adapted from this article here: <http://thecrux.com/you-can-become-great-at-almost-anything-heres-how/>

ProAct Traders Note: This is an excellent article and speaks to the generality of anything we want to be great at. I have placed my own thoughts based on successful Forex trading to hone in on how to accomplish this in the trading environment. These are in red!

Improving our performance is something we all seek to do. Given that we spend a lot of time doing things that we never get better at, I thought I'd share my "developing world class performance" file with you.

Joshua Foer [writes](#):

Amateur musicians ... tend to spend their practice time playing music, whereas pros tend to work through tedious exercises or focus on difficult parts of pieces.

Retail traders want to trade and that is why they struggle. The successful trader is made by spending hundreds of hours in the past paper trading, learning the patterns and nuances of how the market **actually** moves. The successful trader has spent hundreds if not thousands of hours studying the past printed history so their mind will grasp the "ebb and flow" of the market, it's structure today and

understanding why the market must do certain things in order to complete its current movement.

There is so much to [how we practice](#) and who we practice against:

Skill improvement is likely to be minimized when facing substantially inferior opponents, because such opponents will not challenge one to exert maximal or even near-maximal effort when making tactical decisions, and problems or weaknesses in one's play are unlikely to be exploited. At the same time, the opportunity for learning is also attenuated during matches against much stronger opponents, because no amount of effort or concentration is likely to result in a positive outcome.

The hardest market to trade is the New York market – and it is the very best to learn in. True, you will make a lot less trades in the New York market, but it will teach you how the market continually corrects to insure that the overall movement continues. **It will also teach you discipline and how to wait for your trade to come to you.**

Feedback loops in practice play an incredibly important role, which explains why we tend to stop getting better at things at work.

You can work on technique all you like, but if you can't see the effects, two things will happen: You won't get any better, and you'll stop caring.

This is the key in paper trading. It is not just seeing the movement, but recognizing the **effect** the movements create (waves, patterns, square ups etc.).

You should work in [chunks or pulses](#). (And don't multi-task.) Deliberate practice should be so hard that you can't sustain it for very long.

The work is so great that it seems no one can sustain it for very long. A finding that is remarkably consistent across disciplines is that four or five hours a day

seems to be the upper limit of deliberate practice, and this is frequently accomplished in sessions lasting no more than an hour to ninety minutes.

When practicing and playing there is a [different mindset between average and top performers](#):

Average performers believe their errors were caused by factors outside their control: My opponent got lucky; the task was too hard; I just don't have the natural ability for this. Top performers, by contrast, believe they are responsible for their errors. Note that this is not just a difference of personality or attitude. Recall that the best performers have set highly specific, technique-based goals and strategies for themselves; they have thought through exactly how they intend to achieve what they want. So when something doesn't work, they can relate the failure to specific elements of their performance that may have misfired.

Retail traders are notorious for saying things like *"The Broker stopped me out again!"* The reality is that you have not honed your craft enough to recognize why you got stopped out. The decision to take the above "excuse" route forces you to not confront your mistakes, learn from them and go on. It is rooted in emotional trading and emotion needs to be exorcised from your trading. This is a business – treat it as such. You don't throw a hissy fit when your copy machine runs out of paper. True, it is temporarily not functioning but the solution is to make a business decision – go buy some copy paper.

You **MUST** have a trading plan and an overall goal for the year/month/week and day. Working backwards, you will not reach your weekly goal if you can't reach your daily goal. You will not reach your monthly goal if you cannot meet your weekly goal and so on. Professionals have measurable goals that they are constantly assessing their performance against. Trading to make money is a lousy goal! Trading to make money **to augment my retirement** is a great goal. See the difference!

Aside from practice, [sleep is the next most important thing](#).

In Anders Ericsson's famous study of violinists, the top performers slept an average of 8 hours out of every 24, including a 20 to 30 minute mid-afternoon nap some 2 hours a day more than the average American.

The top violinists also reported that except for practice itself, sleep was the second most important factor in improving as violinists.

If you are staying up to trade all the markets you are actually moving backwards not forward. Choose the market you will actively trade in and concentrate on it at that time and that time only. Learn everything about that market and its characteristics and then GET SOME SLEEP. If you are getting up early to trade the New York session – GO BACK TO BED. It moves late in the session after the New York cut, the stock market open and the assessment of market sentiment.

So all of that is great for technical skills (like chess and music) but how can we develop the softer skills?

Speed things up. The way [that Brazil develops its soccer players](#) is fascinating. They use a game called futebol de salão, which creates a laboratory of improvisation.

This insanely fast, tightly compressed five-on-five version of the game— played on a field the size of a basketball court— creates 600 percent more touches, demands instant pattern recognition and, in the words of Emilio Miranda, a professor of soccer at the University of São Paulo, serves as Brazil's "laboratory of improvisation."

This is why the exercise of paper trading* a 10 minute chart with NO higher compression chart technical analysis done on it will help you recognize the opportunity as it comes to you. Pick a currency and then click one candle at a time – make a decision (wait, enter, add, move my stop etc.). You can paper trade an entire market session in 15 minutes this way which dramatically increase you experience in the market and applying your skill. Make a note of your wins and losses and keep at it until you are better then 70% wins.

*This is not making a demo trade

We can also improve our writing.

Ben Franklin [intuitively grasped the concept of deliberate practice](#). As a teenager Ben received a letter from his father saying his writing was inferior: “in elegance of expression, in method and in perspicuity, of which he convinced me by several instances,” as Franklin recalled.

Ben responded to his father’s observations in several ways. First, he found examples of prose clearly superior to anything he could produce, a bound volume of the Spectator, the great English periodical written by Joseph Addison and Richard Steele. Any of us might have done something similar. But Franklin then embarked on a remarkable program that few of us would have ever thought of.

It began with his reading a Spectator article and marking brief notes on the meaning of each sentence; a few days later he would take up the notes and try to express the meaning of each sentence in his own words. When done, he compared his essay with the original, “discovered some of my faults, and corrected them.

One of the faults he noticed was his poor vocabulary. What could he do about that? He realized that writing poetry required an extensive “stock of words” because he might need to express any given meaning in many different ways depending on the demands of rhyme or meter. So he would rewrite Spectator essays in verse...

Franklin realized also that a key element of a good essay is its organization, so he developed a method to work on that. He would again make short notes on each sentence in an essay, but would write each note on a separate slip of paper. He would then mix up the notes and set them aside for weeks, until he had forgotten the essay. At that point he would try to put the notes in their correct order, attempt to write the essay, and then compare it with the original; again, he “discovered many faults and amended them.

Here is a subsection I call the science of everyday performance.

To do our best work we need to [focus](#).

One of the most effective distraction-management techniques is simple: switch off all communication devices during any thinking work. Your brain prefers to focus on things right in front of you. It takes less effort. If you are trying to focus on a subtle mental thread, allowing yourself to be distracted is like stopping pain to enjoy a mild pleasure: it’s too hard to resist! Blocking out external distractions altogether, especially if you get a lot of them, seems to be one of the best strategies for improving mental performance.

Great

We all need [routines or rituals](#), in part to make sure our decision making energy goes toward the hard things, not what we’re ordering at Starbucks.

A ritual is a highly precise behavior you do at a specific time so that it becomes automatic over time and no longer requires much conscious intention or energy.

The energy saved from routines and rituals gives us more energy to make better decisions. Some companies, like Google, [take this very seriously](#).

The formula at Club Med is to include pretty much everything in the price, activities, food, even drinks, giving you fewer decisions to make. Now I know the research on decision making, and how making any conscious decision uses a measurable amount of glucose, but I wasn't prepared for how relaxing it was not having to think anywhere near as much, even about simple things. It turned out to be a remarkably restful holiday.

When you work at Google, you get to save your limited mental resources for the most important decisions. As Google's CEO Eric Schmidt said, "Let's face it: programmers want to program, they don't want to do their laundry. So we make it easy for them to do both."

Do your analysis the same way EVERY TIME you open up your charts. This is a methodical process and that process done ritualistically actually gets you more in sync with the market's real estate of today! Work your way down from a day chart to the 60 minute chart. Only go to a lower chart when you are actually ready to look for your trade setup to enter.

Enter live trades the same way every time so that you are not thinking about the process - it is automatic (and you won't forget things like "Uh Oh ...forgot to put my stop in, dang").

Mark McGuinness argues that you should [move your creative or mentally intensive work to the start of your day](#):

The single most important change you can make in your working habits is to switch to creative work first, reactive work second. This means blocking off a

large chunk of time every day for creative work on your own priorities, with the phone and e-mail off.

We also shouldn't forget [the importance of leisure](#). This, in addition to health benefits, makes us more creative.

What comes into your consciousness when you are idle can often be reports from the depths of your unconscious self—and this information may not always be pleasant. Nonetheless, your brain is likely bringing it to your attention for a good reason. Through idleness, great ideas buried in your unconsciousness have the chance to enter your awareness.

Oh, and you should [exercise](#):

Just about every mental test possible was tried. No matter how it was measured, the answer was consistently yes: A lifetime of exercise can result in a sometimes astonishing elevation in cognitive performance, compared with those who are sedentary. Exercisers outperform couch potatoes in tests that measure long-term memory, reasoning, attention, problem-solving, even so-called fluid-intelligence tasks. These tasks test the ability to reason quickly and think abstractly, improvising off previously learned material in order to solve a new problem. Essentially, exercise improves a whole host of abilities prized in the classroom and at work.

Some philosophers [walked to think and others walked to escape](#). Kant combined walking and habit.

Like Nietzsche — although with different emphasis — (Kant) was concerned with only two things apart from reading and writing: the importance of his walk, and what he should eat. But their styles differed absolutely. Nietzsche was a great, indefatigable walker, whose hikes were long and sometimes steep; and

he usually ate sparingly, like a hermit, always trying out diets, seeking what would least upset his delicate stomach.

Kant by contrast had a good appetite, drank heartily, although not to excess, and spent long hours at the table. But he looked after himself during his daily walk which was always very brief, a bit perfunctory. He couldn't bear to perspire. So in summer he would walk very slowly, and stop in the shade when he began to overheat.

I hope these thoughts will help you and get you further down the path of your Forex Trading Journey! Scott Barkley, ProAct Traders LLC