

The 12 Key Success Factors to become a Consistent Trader within less than a year

by Gabriel Grammatidis

With more than 35 years of trading experience, I have had the privilege to teach & coach thousands of traders at the Van Tharp Institute over the last 15 years. Some traders succeed quickly, some require a bit more time, while others struggle their way through. I came to understand what is really important — or moreso — crucial to in order to develop into a great trader within less than a year.

To shortcut your trader development journey (for most it takes >10 years), I am a big proponent of a dynamic learning environment to trigger exponential skill growth. Let's use a metaphor: the "Autobahn" needs to get planned and prepared well in advance by making its surface smooth and broad enough, by straightening it out and by taking the roadblocks out of the way so that a racing car can eventually go at lightning speed.

Over the years coaching traders, I came up with a dozen very important factors – let's call them the Key Success Factors (or KSF) – that are common to every trader. The 12 Key Success Factors are fundamental for growing quickly and steadily into a consistent trader within less than a year. You basically want to make a "tick" for all of them to fully uncover your trader potential, quickly.

If you are a break-even trader already, or maybe not yet, ticking off one of those KSF (that had not yet been considered) might turn you into a consistent and successful trader.

I guess it is obvious that, if you want to win a car race, you need an advanced car with an edge. But, a System with an Edge is only the prerequisite for winning the race. As Van always stated: "It is not the System that trades the markets, but the Trader!".

Unfortunately, the vast majority of traders out there are losing a lot of time as they are not applying these important factors early on in their trading career. Clearly, it is:
 NOT about sitting in front of the screen for many hours per day
 NOT about having the goal to maximize your Weekly/Monthly R-results
 NOT about trading the markets right away and trading whatever moves
 And NOT about getting euphoric & emotional when trading the markets.

Find an overview below and additional information for each of those Key Success Factors.

The 12 Key Success Factors

- 1 Have a System(s) with an Edge
- 2 Set a clear Trading Goal (no stretch goal, but Consistency ► Position Sizing)
- 3 Apply Useful Beliefs that support your Trading (eg, "One Good Trade per Week is Enough")
- 4 Establish an appropriate Mental State (From Playful & Clunky ► Cool, Calm & Confident)
- 5 Follow the Trader Development Path taking one step at a time (Simulation, Demo-, Real-Trading)
- 6 Apply effective Trader Tools: Deep Practice & Simulation Technology (turbo charger tools, <1y)
- 7 Be part of a committed Trader Group for support & motivation (plus a Coach guiding you)
- 8 Define your Personal Trading Game making up your rules to "win the game" (Independent Trader)
- 9 Develop your Trader Strategy that fits your Trading Game (min. goal ► Go for Moon / +100R)
- 10 Develop your Chart Reading & Intuitive System skills
- 11 Follow a regular Meditation Practice (5-20min, eg, zen12.com)
- 12 Follow your Passion & become a Happy Person (heart opens & confidence flowers)

Check out all those Key Success Factors that go just beyond the System (KSF1) and find out for yourself what important factors you are missing. And let me know what you discover!

KSF1: Have a Trading System(s) with an Edge

Probably being the most obvious KSF, many traders still do not have a System based on a low-risk idea with a clear trade setup, entry rules, initial stop-loss, a multi-layer exit algorithm and a position sizing strategy.

In my experience, the best systems are based on a "double trader trap", meaning countertrend traders get trapped into a bad trade and trend traders get trapped out of a good trade at the same time. Often, good systems are counter-intuitive which is why they work.

Unfortunately, most traders void of a system just want to trade the live markets.

There is a common believe that, over time and over many trades, the trader gets the hang of how to make money. Note how this is a non-useful and costly belief. It is surely fun and entertaining to engage in naïve practice, but the outcome is quite the opposite of the ones desired:

Cementing non-useful trading practices

Creating an array of non-useful beliefs with emotional charge about Self and Markets.

Do you know of any elite tennis player who got into the Top 20 by just hitting balls with friends to win the game?

Do yourself a favor and do not do this - save your time, energy & money!

KSF1.1(F) - Find out more about Gabriel's upcoming Futures Workshop (link):

<https://www.vantharp.com/futures-trading-system-streaming-workshop>

KSF1.2(F) - The Top 10 Reasons to Trade Futures (article):

<https://www.intuFX.com/clone-of-top-ten-reasons-to-trade-futures>

KSF1.3 - Trading Visual Price Patterns is a Bit Like Hunting for Fish (article):

<https://www.intuFX.com/like-hunting-for-fish>

KSF2: Set a clear Trading Goal

As with any peak performance activity, you have to be very cautious with setting output goals.

Process goals work much better. It is counter-intuitive, but when focusing on outcome, it tends to fade away quickly - a bit like a shy deer. Outcome follows process, it cannot be chased.

Thus, the overall process goal should be to flawlessly execute high-quality low-risk setups (and you can measure yourself against this).

However, as traders, we need a secondary performance goal, too. For this, stretch goals do not work well. Focus on a goal that can be achieved even under difficult circumstances and then look for "Consistency" in achieving that goal. I set out for my traders an R-goal of minimum +2R per week (or minimum +5R per month). Once this can be achieved with Consistency week after week (eg +2R, +15R, +3R, +5R) for a period of three months, then it pays out to work on increasing the Position Size so to add leverage. With Consistency, you want to work on maximizing your position size, not the number of Rs per week.

Should you overachieve your minimum R-goal early on during the week, you need to have a Trader Strategy in place to go for the next higher R-levels while not risking what you have already achieved (see KSF9).

A minimum target of +2R per week does not sound a lot? Depending on your nominal Position Size, +2R can be a substantial nominal amount for the week. And making only +2R at 1% position size every week produces an annual return of more than 200%.

KSF2 – How to Set a Clear Trading Goal (video): <https://youtu.be/lxtNJy0svS0>

KSF3: Apply Useful Beliefs that support your Trading

Some Beliefs are useful while others are non-useful to trading. Some very useful Beliefs that made you successful in Business might be very non-useful, even detrimental, as far as Trading is concerned.

Again, it is counter-intuitive, but useful Beliefs might not even be true. Beliefs are just a filter to reality and how you perceive of what is going on. Beliefs have a strong impact on mental state. Thus, you want to be aware of them and change (or replace) the non-useful ones.

As an example, a very useful Beliefs is: "One Good Trade per Week is Enough!". Note how it is not even true, but if you can hold it with full conviction that only one good trade per week is needed to reach your goal, then your mental state around FOMO (fear of missing out) and over-trading will have completely changed.

KSF3(F) - One Good Trade per Week is Enough! (video): <https://youtu.be/2iw7va1vVxQ>

KSF4: Establish an appropriate Mental State

In my experience, every trader has an ideal mental trading state that is slightly different and very specific to that person. My ideal state is being cool & calm while suspicious about someone digging a market trap for me. It keeps me alive & alert to actually look out for traps while trapping others.

What generally works best for many is a mental state of "Focused Indifference" or maybe a more catchy label: being Cool, Calm & Confident – the 3 C's. Often it is easier to directly relate to the feeling that is connected to a good mental trading state. If you can hold the feeling of "gratitude" during your trading session, no matter what, then you are in a great state – a state of inner acceptance.

It needs to be noted that your mental state may depend on your consciousness state. Being an angry or fearful person will make it difficult to achieve long-term consistency. In such a case, and as a prerequisite, you might need to release a few non-useful beliefs with emotional charge first (we have the tools). As well, starting a regular meditation practice is a promoter of a good mental state (see KSF11).

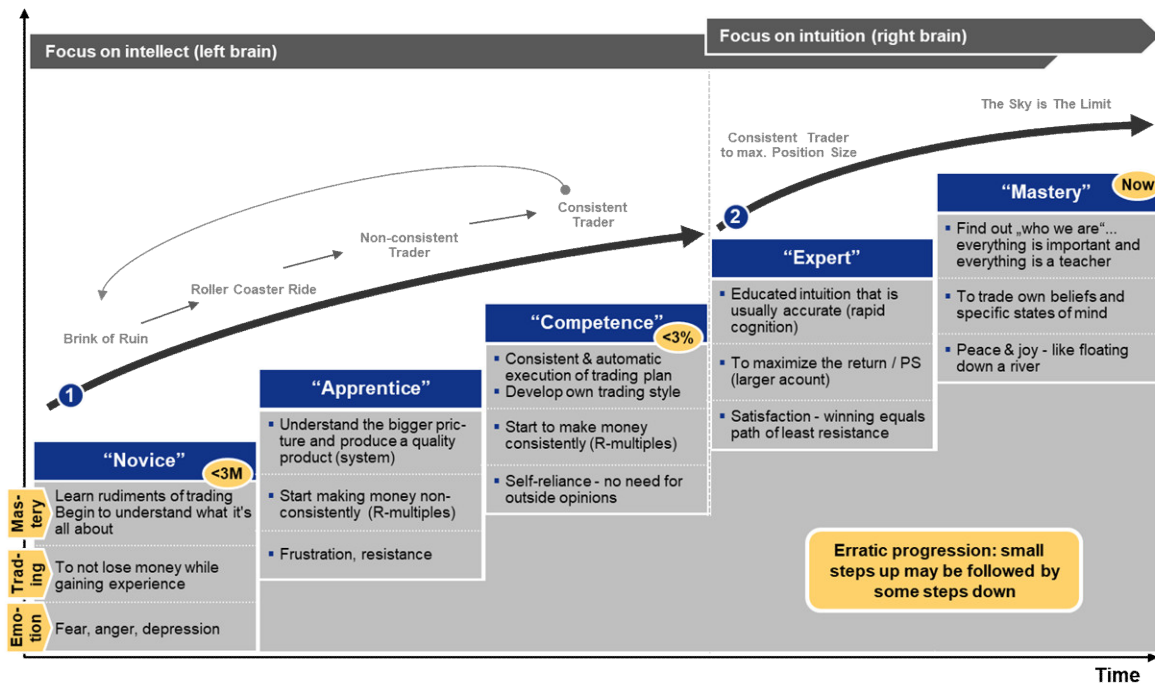
This KSF might be the one you feel most resistance against. Ask yourself the question: Why would you want to make it difficult, when trader growth can be so much easier?

KSF4 – Establish an appropriate Mental State (video): <https://youtu.be/wzdhxzYYWf0>

KSF5: Follow the Trader Development Path taking one step at a time

What I experience over and over again with traders is wanting to achieve too much, too fast!. When actually, if you go slow and step-by-step in a deliberate manner, you will achieve your objectives much faster, get a deeper understanding and have much more fun. You will not have spent all your energy through struggle & despair on your way.

Below you find the trader development path that I lay out for my traders. At each development phase, a trader wants to achieve the "Competence Level" and become Consistent before moving on until eventually getting to the Mastery Level.



Note: if you want to go fast, your trader development should be based on applying the principles of Deep Practice in combination with a trader simulation software (see next KSF).

KSF5(F) - Free Futures Trader Development video series (playlist): https://youtube.com/playlist?list=PLNRgNwW5ECMJJujC8sCCTmNa_XG2LqmG

KSF6: Apply effective Trader Tools - Deep Practice & Simulation Technology

Deep Practice, or Deliberate Practice, is a very effective way of learning in a dynamic learning environment (school learning is organized in a linear way). I am not aware of any other trader coach to apply the principles of Deep Practice in trading. This is a bit of a surprise as in sports it has already been done for many decades now.

So what is Deep Practice about?

First, the overall process is conveyed, then the focus – the deep practicing – is applied on individual tasks one after one. With the overall process getting cut down in little chunks, each individual chunk gets experienced and learned in and out till it is mastered. Then it gets integrated with priorly mastered chunks. The overall deep practice process is as follows: Absorb the Whole – Chunk it up – Slow it down – Repeat it – Master & Integrate it – Love it – Make it fluent.

As you all know, children learn at lightning speed exploring the world by making small mistakes to learn from while having fun. We want to reconnect to this very efficient way of learning in a controlled, but dynamic learning environment. As a trader, the fastest way forward is to allow yourself to make mistakes (or small failures) again to grow quickly. A trading simulation software is a very efficient technology tool to speed up the whole process.

Would you not want to get back into a flow state of learning that leads right into exponential skill growth?

KSF6.1 - Deliberate Practice and Trading Mastery (article): <https://www.intufx.com/deliberate-practice-and-trading-masterycompetence>

KSF6.2 – Deliberate Practice (Playlist): https://youtube.com/playlist?list=PLNRgNwW5ECMIU_ESI29XriikOt_4PKpJN

KSF7: Be part of a committed Trader Group

When I started to offer group mentoring for the first time, I was a bit skeptical. But early on in the process, it became clear that a group of committed traders, trading the same systems, is indeed a big edge and a blessing for both novices and experienced traders alike.

To give you a short list of group edges:

You can learn from mistakes others do and considerably speed up your learning

You inspire each other with the skills developed and the individual competencies acquired

You can perform healthy benchmarking about your strengths & weaknesses

You will catch up with the group very quickly should you fall back a bit

You get support and motivation from the group when you hit a resistance dip

You will understand by comparison how far you are from being a Consistent Trader

A group is like a living organism that grows and develops at its own pace by lifting up individual group members. There are other important ingredients of the Deep Practice process that go hand in hand with trading in a group such as having successful role models and a coach.

KSF7 – Independent Trader, the 3 Keys for Trader Success (article):

<https://intufx.com/independant-trader-keys/>

KSF8: Define your Personal Trading Game

The markets are very good at forcing a game upon us that we do not want to play!

One good example is triggering your greed by “becoming rich quickly”. This can lead to an array of unwanted behaviors such as over-leveraging, jumping the gun at whatever moves, going for stretch goals and never be satisfied.

You will trade with a good mental state when you define the rules of your trading game so that it fits you - your style and your timeframe of trading, your market scanning and order management process, just to name a few. Your game should fit well into your day schedule, allow for your other commitments and lead to the lifestyle you enjoy. As you mature as trader, you will become more and more independent, relying on your personal trading game.

The markets represent a very big Trading Game with some players winning huge amounts of money and others, the vast majority, losing consistently. We have so many examples of different personal trading games and they are all successful in their own terms in reaching pre-defined goals.

How do you position yourself to best benefit from this game of trading?

KSF8 – Your Game, Your Rules, Winning Your Trading Game (article):

<https://www.intufx.com/yourgame-yourrules-winning-your-trading-game>

KSF9: Develop your Trader Strategy that fits your Trading Game

The Trader Strategy comes into play when you have overachieved your minimum Weekly R-goal. Let's assume it is Wednesday morning and you are already up +5R for the week after having taken two trades. What do you do? Do you call it a week (or even call it a month)?

This very much depends on your Personal Trading Game (see KSF9) and what fits your lifestyle best. If you are more than happy with +2R per week so to pursue other important things in life, then you should stop trading. Well done.

Most probably, however, you want to go for higher Weekly R-results so you should have a plan - your Trader Strategy. Your next R-goal could be to achieve +8R while not falling below your +2R minimum goal. You could set a rule to not lose more than -2R when being in-between the 5R and 8R mark. Once +8R is achieved, you will probably want to lock in +5R (your minimum Monthly R-goal). At some point, you will most likely want to shoot for the Moon going for the +100R mark and beyond. But: when do you stop trading if you get to +100R and then experience a drawdown?

It is really important know your objectives and make scenario planning so you can clearly define the rules of your Trader Strategy Plan.

KSF9 – Develop your Trader Strategy (video): <https://youtu.be/wiQDf513k10>

KSF10: Develop your Chart Reading & Intuitive System skills

Chart Reading is a basic trader skill needed for nearly any trading system. This skill is so important to develop. It is about reading the dynamics of the buyers and sellers in the charts, about being able to identify important pressure points, trader traps and eventually important stop-run levels.

If you can read the market actors' feelings, pressures, hope and despair in the chart, then you know when the pain of the Longs will be so unbearable that they have to sell at any cost, triggering a panic selling. That can become a window of opportunity...

Basically, you have to go through and experience many such situations yourself to be able to understand what is going on. Your chart reading skills and intuition with the system will develop after a certain amount of screentime and practice. Intuition typically comes in as of month three after starting to trade a new system.

KSF10(F) – Chart Reading Patterns & Higher Timeframe charts (video): <https://youtu.be/xmcjZYhoq64>

KSF11: Follow a regular Meditation Practice

I have seen a clear correlation among traders who meditate regularly (and if only for 5min a day) and early trader success. When you meditate, your mind chatter calms down and you open up to your intuitive powers. You become more aware of what is going on inside. Awareness is a very important trader quality. Sometimes, you will know when to just step away from your trading desk. Van referred to this skill as being one of the top tasks of trading "Staying out of the market".

It is not hard and you do not need special training. An easy and effective way to fulfill a regular meditation practice is a daily gratitude meditation for just 5-10min of your day.

KSF11 – Getting Started in Meditation (link): <https://zen12.com>

KSF12: Follow your Passion & become a Happy Person

This last Key Success Factor is a broad topic and encompasses several previously mentioned KSFs. In order to be a happy person, you need to develop & follow your Personal Trading Game (KSF8) and you want to have your Trader Strategy well defined which tells you when to stop trading (KSF9).

Going to your trader desk right after the end of a stressful workday will certainly not put you into a good mental state for trading right away (KSF4). Non-useful beliefs, especially when they are emotionally loaded, can surely have an impact well beyond trading onto your relationships and family life (KSF3). And not having an appropriate goal (KSF2) could throw you completely off the "Autobahn".

You want to be a trader who follows his passion. If you implement all those KSFs, your trader confidence & competence will grow. Being a happy person first can make your trading so much easier and stress-free. I would even say that it is a pre-requisite for all achieving the other Key Success Factors. Note how this factor, like some other mentioned, is counter-intuitive. To get a good indication of how happy you are as a person, I suggest completing Van Tharp's free Happiness Test.

KSF12 – Van Tharp's Happiness Test (link): <https://happinesstest.vantharp.com/#step-1>

I regularly witness that focusing on & implementing the 12 KSFs early on in the development process produces consistent traders reaching their R-goals in well less than a year! If trading was easy, everybody would do it.

Are you ready for becoming a Great Trader at lightning speed? Then focus on what is really important! And let me know when you start building your "Autobahn".

Good trader development,
Gabriel Grammatidis

For more information on the individual KSFs, sign up to Gabriel's free Trader Community and receive instant downloads, see Gabriel's website: www.IntuFX.com

Summary of Links (Futures):

KSF1.1(F) - Find out more about Gabriel's upcoming Futures Workshop (link):

<https://www.vantharp.com/futures-trading-system-streaming-workshop>

KSF1.2(F) - The Top 10 Reasons to Trade Futures (article):

<https://www.intufx.com/clone-of-top-ten-reasons-to-trade-futures>

KSF1.3 - Trading Visual Price Patterns is a Bit Like Hunting for Fish (article):

<https://www.intufx.com/like-hunting-for-fish>

KSF1.4(F) - Van interviews Gabriel to talk about trading the Futures Markets (video):

<https://youtu.be/jIBqCFMypBE?si=yoLR1x4Z60SUqHIY>

KSF1.5(F) - Find the playlist "Sneak Futures Workshop Preview":

<https://youtube.com/playlist?list=PLNRgNwW5ECMLk8TvSaSMLzeFxaEcY9JcM&si=k7KFq8X9oixwQTY9>

KSF2 - Set a Clear Trading Goal (video): <https://youtu.be/lxtNJy0svS0>

KSF3(F) - One Good Trade per Week is Enough! (video): <https://youtu.be/2iw7va1vVxQ>

KSF4 - Establish an appropriate Mental State (video): <https://youtu.be/wzdhxzYYWf0>

KSF5(F) - Futures Trader Development video series (playlist):

https://youtube.com/playlist?list=PLNRgNwW5ECMJJIujC8sCCTmNa_XG2LqmG

KSF6.1 - Deliberate Practice and Trading Mastery (article): <https://www.intufx.com/deliberate-practice-and-trading-masterycompetence>

KSF6.2 - Deliberate Practice (Playlist):

https://youtube.com/playlist?list=PLNRgNwW5ECMIU_ESI29XriikOt_4PKpJN

KSF7 - Independent Trader, the 3 Keys (article): <https://intufx.com/independant-trader-keys/>

KSF8 - Your Game, Your Rules, Winning Your Trading Game (article):

<https://www.intufx.com/yourgame-yourrules-winning-your-trading-game>

KSF9 - Develop your Trader Strategy (video): <https://youtu.be/wiQDf513k10>

KSF10(F) - Chart Reading Patterns & Higher Timeframe charts (video):

<https://youtu.be/xmcjZYhog64>

KSF11 - Getting Started in Meditation: <https://zen12.com>

KSF12 - Van Tharp's Happiness Test: <https://happinesstest.vantharp.com/#step-1>