

How to Pick a Trading Coach – 7 Things you Should Expect



Let me first start off by saying I have never had a trading coach; however, in every walk of life it is accepted that we may need some guidance along the way.

This guidance can come from our religious leaders, executives at our jobs, coaches of our sports team and the list goes on and on. In some cases these leaders are guiding you from their own experiences, while religious leaders and coaches may not have walked your exact path, but are able to apply sound principles to help you on your walk.

In this article I will cover the 7 things you should expect from your trading coach that will result in you making more

money and trading like a true professional.

#1 the Trading Coach Should Screen You

The first thing you should expect from your trading coach is to determine if you are a right fit for their style of coaching. Be wary of people who take you on immediately. It implies they either have few clients or are willing to take on too many.

The trading coach should ask you things like how long you have been trading? What are your trading goals? How much trading capital do you have on hand?

You in turn should ask the trading coach what types of traders have they helped in the past? How much money on average do their clients have in the market? What types of markets do they specialize in?

The goal here is not to beat each other up, but rather see how well you are a match with the trading coach.

If for example, your trading coach says they have primarily only helped options swing traders with \$500,000+ accounts and you are looking to day trade equities and only have \$75,000, this is probably not a good fit.

Also, outside of how well you are capitalized and the markets you plan on trading, what is their communication style? These should all play into your thought process of selecting a coach.

At the end of the day, the coach should:

1. Have experience coaching traders who specialize in your market (i.e. forex, equities, futures)
2. Have experience coaching traders with varying account

sizes

3. Have a communication style that meets your expectations

If the answer to all three of these questions is a match, you are at least 80% of the way towards establishing potential relationship.

#2 Identify why you are Losing Money

Your trading coach needs to take a hard look at your trading activity to determine why you are losing money. This analysis should have very little to do with your trading strategy and more about why you the individual are bleeding cash.

Try to avoid the coaches who have these turn-key systems for profits. Your coach should help you make money within the confines of your system and not try to swing you towards a new trading approach.

Your problem is likely with knowing how to win at trading and has very little to do with the particular system you are trading.

The trading coach should identify problems in one or more of the following areas:

1. Money management – how to manage the use of margin and overall diversification
2. Stop Loss Protection – how much you should risk per trade and a pyramid system for when you are on hot and cold streaks
3. Taking Profits – when you should take money out of the market

Notice that all three of these items have to deal with money.

Trading has little to do with your system and at the root comes down to whether you can make money or not.

Your coach needs to provide you with real data around these three areas. These points should not be notional or in the clouds. For example, the coach should not say “you should let your winners run”. Your coach should say based on your trading style, let’s first shoot to make “x” per trade and then we will work on expanding your per trade profit targets.

This growth as you improve approach will allow you to organically take larger positions and become open to the idea of sitting through slight pullbacks so you can reap the rewards of the big move.

#3 Understand your Fears

Your fears may or may not show up on your profit and loss statements.

These are all the things you do to sabotage your success.

Your fears will range from you monitoring 3 or more symbols, but always selecting the worst of the batch.

The ability to identify a winning trade, but you don’t have enough courage to pull the trigger.

In order to help you in the fear area you will need to open up and become completely transparent with your trading coach.

Ideally you would have a trading journal which would make it easier for your trading coach to dissect the inner you.

Without a journal, you will need to provide both a narrative around what holds you back and then also a few real-life examples of how your fears have hurt your trading.

Again, the help and guidance from your coach has to be tangible. The advice cannot be “well just trust your gut”.

Your coach needs to objectively assess your fears and provide you with a checklist of how to step through them. For example, if I am terrified of shorting, then the trading coach should develop a plan that would ask me basic questions about the trading opportunity that makes the experience more logical

and data driven. This is really the power of 'yes', where you get in a rhythm of saying yes to questions that ultimately lead you to the desired result.

If the power of 'yes' isn't enough, this is where you should be able to call up your coach and talk through things in real-time. The coach should not be there to just validate your fears, but is rather that objective voice to steer you back to your trading plan and if things are a good fit, helps you understand step-by-step that you need to take the trade.

This could mean you need to close a losing position or take on a new one. It's not about forcing you, because this will only result in you sabotaging yourself later in the trade.

#4 Help You Develop a Routine

If you have played basketball your coach will tell you about developing your own routine at the free throw line. This will involve you approaching the free throw line the same way, rotating the ball within your hands the same way, lining up the seams of the ball in your finger tips the same way...do you get where I'm going with this?

Your trading coach should help you develop this same sort of robotic approach to your trading day. If you are looking for spontaneity in your life find it outside of your trading.

Your recommended trading routine should include the following:

1. The time of day you should start scanning the market.
2. If day trading, what times of day you should focus on trading. I have written extensively how it took me almost 20 months to realize I should limit my trading activities from 9:50 am to noon.
3. Clear methods for staying balanced. This can come in the form of working out, healthy eating, and of course spirituality.

#5 Your Trading Coach should be Accessible

With owning a website and trading platform I have dealt with probably 15 or more developers, server administrators and project managers over the years. While some are better than others, the one thing that separates the great people from the average is (1) can they deliver and (2) there level of communication.

Imagine you have the best trading coach but you can't get them on the phone. Realizing your coach will likely have multiple clients and will be unable to answer all of your calls, you should be able to reach them in a time of crisis. This level of interaction will need to have clear boundaries, because unless you are paying the trading coach enough money to just have you as their only client, this can quickly escalate to an unhealthy relationship.

Below is what I would consider acceptable for when you should be able to contact your trading coach:

1. Your trading coach should have the concept of "office hours" where they will accept open calls.
2. If you lose or make a certain percentage of money in a short span of time, you should be able to phone your trading coach. This percentage is something you should establish with your coach early on as a way of flagging when things have the potential for going off the rails.

Anything that falls outside of these two areas can honestly be handled during a weekly checkpoint or via email. Remember your trading coach is here to help bring the best out of you, but your decisions and success ultimately come down to your own decisions. The last thing you want to do is build up your confidence around how often you are able to speak with your trading coach.

#6 Very Analytical

Your trading coach should download or view your trading history on a consistent basis. This coach does not have to be well versed in big data analytics, but they should feel comfortable combing through dozens and maybe hundreds of trades to figure out what makes you tick.

Out of their review of the numbers, the trading coach will need to be able to provide real metrics of how you are tracking towards your trading plan. This weekly or monthly checkpoint (depending on how you structure your contract) should have a clear picture of how you are measuring up. A simple green dot in areas where you are strong and a red dot in areas where you need to improve is more than enough. Many coaches will try to make the coach trader relationship centered around the psychology behind your trading and focusing on how well you are implementing your system.

But you deserve more and this is where your trading coach must be able to marry your trading plan with hard performance data.

#7 Make you More Money

I would be re-missed if I did not state the obvious here; your trading coach needs to make you more money. You clearly picked up a trading coach for a reason and I highly doubt it was to pick up more friends.

You sought out professional help for some area of your trading, which by the way is commendable. Most people in life never confront their fears or shortcomings and just keep trucking through life.

Now that you have taken this leap of faith and laid out your hard earned cash for the added support, the trading coach has to deliver. You can address this early on in the relationship by developing key performance metrics. If the trading coach

is unwilling to do this then they are not worth forming a business relationship.

At the end of the day you need to be able to show how the trading coach is making you more money than the cost of their services. If they are unable to do this, then you need to find yourself a new coach.

In Conclusion

Before you retain the services of a trading coach first look to figure out who you are as a trader. If you introduce another voice too early on in your journey, you may be unable to fully develop your trading voice.

After you have a few years under your belt, a trading coach could be another tool in your trading arsenal. The coach should not provide you with the winning system but should rather help you make the most amount of money based on your trading methodology and trading style.

Remember, no matter what you decide to do regarding a trading coach you will need to practice your craft. To that aim please visit tradingsim.com to see how we can help you become a better trader through the power of practice.

Good Luck Trading,

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Photo Sources

Picture of Coach [dbking](#)