

Trading as a Business Anyone serious about finding a profitable strategy should use the latest technology and the best software available. This means learning how to use a computer. When I started trading, all historical testing had to be done by hand. This was labor intensive and very time consuming. It was necessary to peruse charts visually and record the simulated entries and exits by hand. For intra-day charts, this process was even more time consuming—the charts had to be printed with the indicators on them and for a significant length of time (several months). If these indicators didn't prove to be profitable, the process had to be repeated for the next month with revised indicators. This process continued month after month. It would sometimes take me three to six months to find a strategy that would work under current market conditions. System Writer, followed of course by TradeStation, was the first computer program to help eliminate this labor intensive historical testing. Using TradeStation to do your testing has three distinct benefits. Third, you can be more creative. Rather than spend all of your time doing the testing, you can have the computer do the testing and you can spend your time researching new trading ideas.

Strategy development is like any other business. It's very unusual to find a successful business where only one individual has designed the product, does the marketing, is engaged in product development, and runs the machine to produce, package, and ship the product. It is much easier and less stressful to hire a staff to handle the paperwork and production employees to make the product. The entrepreneur

can then spend his or her valuable time in product development and planning the future of the company rather than running day-to-day operations. In the trading business, Trade Station can be your staff and production employees. The program is indispensable in time savings, cost savings and individual productivity. It frees you from the repetitious side of the business so you can spend your time on the creative side—the side that will ultimately make you the money. As the futures and securities industry continues to grow, more and more traders will enter this business. The competition for profits will continue to increase. For example, in the early '80s it was very easy to make a lot of money day-trading the S&P. I used a simple dual moving average crossover strategy on 5-minute bar charts. There were proportionately very few intra-day traders with computers that were competing for profits. But since then, with the increase in the number of traders using intra-day charts, these very rudimentary indicators have stopped working. When everyone started using them, the profits dried up. It is much more difficult in today's markets to make the money that was there in the early years. The standard indicators just aren't that effective anymore. I believe that the only rational way to be a successful trader is by using the best software available—TradeStation—and learning to be an effective strategy developer and strategy trader. The professional traders are all using sophisticated computers, and most of them are now using TradeStation. The technology resource differential of the past is now gone. An individual trader can afford the same technology as the

successful professional. The playing field is now not resource driven but intellectually driven. Knowledge is more important than capital.

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