process extends to those myriad decisions one makes to adjust to an incoming stream of new information (market feedback, evolving market behavior and specific market contexts) as well as the many decisions one encounters for each trade during initiation, execution and trade management. The nature of decision-making becomes an area of inquiry that opens a door to a better understanding of what the *You* component really entails. Let's digress for a moment and explore the decision–making process.

First and foremost, while rational market participants intend to make objective decisions and behave in a manner that optimizes their returns, the brutal reality is quite different. In fact, it's quite evident in observing the behavior of others and in reflecting on our own market experiences that the actual behavior of market participants is best explained by a decision–making model where dominant needs are being satisfied at the expense of optimizing returns.

"...[D]ominant needs are being satisfied at the expense of optimizing returns."

Take any two traders, train them to execute the exact same objective trading method, and you'll soon see trading results that are quite different, and sometimes even diametrically opposed. This happens simply as a result of differences in their respective trading styles, which naturally follows from dissimilarities in their dominant psychological needs.

Ed Seykota (*Market Wizards* by Jack Schwager), alluded to the preeminence of dominant psychological needs in trading when he said: "Win or lose, everyone gets what they want out of the market. Some people seem to like to lose, so they win by losing money."

THE YOU COMPONENT

Developing an effective *You* component begins with the realization that the assumption that most traders trade to make money is fallacious. The bottom line is that the primary decision-making process for all, but a tiny minority of traders, is not geared to optimize returns at all. Instead most traders revert to a process that is habitual and ingrained, one that sacrifices returns in order to satisfy more dominant needs.

"...[M]ost traders revert to a process...that sacrifices returns in order to satisfy more dominant needs."

This bald truth is never more obvious than when a new exodus of market participants takes place as the effects of poor decision–making are unmasked and no longer subsidized by the tailwinds of bull markets.

Most traders have little or no tools that allow them to assess the psychological dynamics that are controlling their decision-making process and destiny as a trader. We need to identify those dominant needs that are injurious to trading, and to assess how and what we need to change internally to achieve optimal trading results.