

5 Guidelines For Evaluating Your Trading As a Business

Trading is just as much of a business as any other industry. Treating what you do as a business will help you improve your trading, allowing you to trade with less emotion. Constantly set trading goals to work towards, just as you would create goals for any business. Here are a few tips to improve your trading as a business, helping you reach your trading goals.

1. **Your Trading Plan is Your Business Plan** - Your complete trading plan is much like a business plan. Included in your trading plan planner should be a concrete statement on how to generate profits and your specific strategies. Much like your own business, you should have a plan in place to reach your trading goals. Setting swing or day trading goals is critical to producing consistent profits and staying “in business.”

2. **Profit Loss Sheets** - Bookkeeping may come second to technical analysis and e-mini futures, but it is just as important as day and swing trading itself. You should prepare a profit or loss statement every month and track where you’ve made money and lost money. If you’re finding yourself losing money in the 10 am – 2 pm period of the trading day, you might consider closing up shop during that time.

3. **Have a Routine** - If you were going to the office every day, you wouldn’t go in sweatpants and a t-shirt. You should be dressing the way you want to perform. Getting up early and getting ready just like you would for any other occupation will keep your mind in the game and bring in consistent earnings. You need to treat yourself the same as you would with a business. Set a trading goal for each day and strive to reach it with profitable trading strategies.

4. **Use Profits to Grow** - Businesses need more capital to expand and make more money and so does your portfolio. Spending a few extra dollars on advanced trading techniques, tools, and strategies will help you be a better trader. Mark each expenditure against the value of your trading portfolio as you would against the bank account of your business. Each investment is an investment in yourself, and it is also tax-deductible, just like any other business expense.

5. **You’re Buying and Selling a Product** - Shares of stocks are products just like an article of clothing or a pound of carrots. Trading is buying and selling a stock for a profit, much like owning a business is buying and selling a product for a profit. Think of each stock like a product; you might have to have “sales” to get rid of extra holdings or to cut losses, but it is all a part of running a business.

Organizing your trading life like your business increases your probability of market success. When you take time to manage your business, invest in your business, and treat yourself professionally, these are the tools to make consistent profits.

About the Author

Leroy Rushing is an active, professional day trader; trading coach; and author. He is the Founder and CEO of Trading EveryDay, a distinguished provider of [educational trading products](#) and services that are available worldwide. Trading EveryDay also has many [articles](#) with unique perspectives on [day trading](#).

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