Business on One Page Worksheet

Signal Pilot Education — companion to Lesson 100: The Business on One Page.

Five numbers describe a trading business and they fail in a fixed order. The card below is the lesson's, filled in with its own figures on the right so yours has something to disagree with. Read down it and stop at the first row that binds.

> **Educational only.** Trading involves substantial risk of loss. Not financial advice. Past performance does not guarantee future results. Every number in this worksheet is one you measure on your own record; the figures in the right-hand column are what the lesson measured, and they are there to be disagreed with rather than copied.

1. Fill in the five rows

#	Row	Where it comes from	Your number	Lesson 100's
1	Pace	your own orders, per the pace worksheet		4.875 trades a month
2	Cost in R	round-trip cost ÷ one R		0.0796 R a trade
3	Net earning	(edge − cost) × pace × 1% of the account		99 a month
4	Withdrawal	what a household actually takes		500 a month
5	Sample	7.85 ÷ the square of the net edge		18,952 trades

2. Find the row that binds

Read from the top and stop at the first row that is worse than the row below it can survive.

	Your number	Lesson 100's card
Row 1 binds?		never binds alone
Row 2 binds?		yes — takes 79.7 per cent of the edge
Index of the binding row		2

Row one sets how often everything else happens and cannot fail by itself. Row two binds when the cost is a large share of the edge, and once it has bound, every row under it is arithmetic on an edge that has already gone.

3. Take rows three and four to the year

A household lives in years, not trades.

	Your number	Lesson 100's card
Net earning × 12		1,191
Withdrawal × 12		6,000
Shortfall		4,809

That shortfall is before tax, before fixed costs, and before a single thing has gone wrong.

4. Repair one row and recompute

Change the single input the binding row depends on. Leave every other input alone.

	Your number	Lesson 100's card
What you changed		held each trade twice as long
New cost in R		0.0398
New net earning a month		294
Still short of the withdrawal?		yes

Tripling the best row on the card moves the business from impossible to infeasible. That is the honest reading, and it is the answer this worksheet exists to let you reach on your own numbers.

What you are holding when this is filled in

One card, one row index and one shortfall. The card is your business rather than a plan for it; the row index is what to work on first; and the shortfall is what the year is missing before anything goes wrong.

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