



## TAKING STOCK WITH THE RIGHT KNOW-HOW

*The energy that drove a young man to change his career direction three times and end up vice president of a financial services company by the age of 24, still drives Greg Secker today. World Finance catches up with him to discuss his new venture*

Interview with  
**GREG SECKER**  
CEO,  
KNOWLEDGE TO ACTION



■ Greg Secker is so passionate about the foreign exchange training and trading business he started up in his living room that he talks as fast as the algorithmic trading robots that are working away on the computer screens behind him.

"I did animal physiology and veterinary studies at university but when I looked around I noticed that all the graduates who were making good money were in IT, so I took that and ended up with a job as an IT trading technologist on a currency trading floor," he says. "Then I noticed that the traders were earning 10 times what I was earning so I started learning about arbitrage and how they found positions and began trading my own accounts."

By the age of 27 he had left the corporate environment and was trading from home. "I used to trade the European section from 5:30 am in the morning until about 11:30am and then I was done for the day," he recalls. "In

the afternoons I began to teach my mates to trade – one day we counted 19 people on my living room floor, all with laptops, smoking cigarettes and drinking coffee while they were trading currencies. Eventually my girlfriend suggested we find a different location."

That was in 2003. What Secker set up in his new premises was a totally new concept in foreign exchange training. Called Knowledge to Action (KtoA), the business combines a training facility with a trading room where students can practice the trading strategies they have learned in real time under the watchful eye of an experienced trading tutor. The formula clearly works – the business has grown from running about nine

seminars a month to the current pace of over 50 seminars a week.

By 2009, after six short years, the company had established offices in London, Sydney, Johannesburg and Capetown, leading to its nomination as a finalist in the National Business Awards. KtoA was also named a finalist in the 2010 London Excellence Awards and claimed 49th place in the 2010 *Sunday Times* Fast Track 100 Awards.

### RISING TIDE

Foreign exchange markets have always been something of a mystery to many people who regard the speed at which currency values fluctuate and the size of trades being executed as a risk that only major players in the banking sector can take on. Secker believes that the reverse is true, and points out that the latest economic crisis in the world's stock markets is driving more small investors to try their hand at currency trading.

"In actual fact, it is illiquid markets like the stock markets that carry a larger proportion of risk," he points out. "Those markets can jump around overnight, or be nudged around by one or two large investors, but the currency markets, by virtue of being open 24 hours and having so many more participants, are much more liquid and subject to more rules and identifiable signals."

Teaching clients those rules and how to spot the signals is the basis of the Knowledge to Action programme. It is estimated that at least 80 percent of all trading on the spot currency markets today is done by automated 'robots' that execute trades according to pre-programmed rules and trigger points. Students in the training programme don't just learn how to set up and run a robot, however; KtoA believes that people still need to understand the underlying principles of what is happening to their cash.

"People think this business of algorithmic trading is black box stuff," says Secker. "You know, you just turn the machine on and go lie on the beach somewhere waiting for the cheques to arrive. But it's really more of a grey box. You have to understand what goes on in the markets, why you set your programme up in a certain way, and when it is prudent to switch it off for a while."

What makes KtoA unique is its ability to combine classroom teaching of the fundamentals behind trading strategies, with the oppor-

tunity to sit and do live trades with experienced trader coaches. This gives clients the confidence to pay attention to the signals and know what to do. Often, Secker points out, it's about learning how to sit on your hands rather than do something for the sake of doing something.

As the business has grown, so too have the options available to clients. For people who don't want to spend too much time in front of a screen, there is also training in how to set up and run auto-trading programmes. Then there is a hedge fund facility for those who prefer to have someone else manage the trading for them. So far this year, KtoA's basic 'vanilla' automated trading account has generated net returns of 13 percent.

The latest addition to the Knowledge to Action lifetime client support programme is a facility launched six months ago, called the Prop Trader Programme. Prop Trader allows approved clients to trade with money provided by KtoA; their performance is monitored by a risk manager and those who trade profitably are given increasing levels of funds to invest.

### CONSTANT REFRESH

Although the Financial Services Authority in the UK and its equivalents in Europe do not require educators to undertake regulatory exams, Secker believes that they will at some point in the future and he welcomes it. Because KtoA operates in Australia, which has a regulatory environment, the business is already up-to-date globally with all of the regulatory requirements, one of which is that advertising messages must not be unrealistic or misleading. Another requirement is to constantly update trainers' skills and the material delivered in the training programmes.

KtoA trainers are generally experienced traders from the banking world who have retired to do some trading on their own. Although they trade successfully from their home offices, many want the opportunity of working in a more collegiate environment where they can share trading strategies and discuss the markets. To make sure their skills are up to date, KtoA updates its training manual regularly and has partnered with outside firms that come in periodically to run specialist training seminars. One partner, for example, is Monogram Algorithmics from Canada, which specialises in modelling new trading algorithms and robots to deal with

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emerging conditions. Key to the future success of individual clients is their own passion, energy and enthusiasm to apply the lessons they have learned.

Surveys of clients who stay actively trading following their training course puts the average client return at 100 pips a week. If they are trading at \$10 a pip, that is a tidy \$1,000 per week earning potential. Currency trading can be a lonely business, however, so KtoA provides ongoing support through a weekly market update via live podcast with one of their trading team who will discuss the risks and opportunities they have identified during the past seven days.

### THE FLYING TRADER

When he begins to talk about his charity work, Secker's own passion ramps up another level, if that is possible. In 2010, he and his partner Katherine Scott set up the Knowledge To Action Foundation to support charities in South Africa and the UK which look after disadvantaged kids. Inspired by a meeting with Sir Richard Branson, who has recently written a book entitled *Screw Business as Usual*, they began looking for creative ways to raise money and came up with the idea of convincing brokers to donate some of the commissions they make from KtoA trading clients.

To turn it into a wacky campaign, Secker decided to combine it with his passion for flying helicopters. One day a month he flies his helicopter above London and beams his trading calls down to a website that is followed by KtoA clients worldwide. They then put their trading calls through a broker who has agreed to partner with the project and donate all the commissions for that day to the Foundation. Last year they raised over £150,000 and the target for this year is a quarter of a million pounds. "It's all about how you can put philanthropy at the centre of your business and do something useful for the world around you as well as make money for yourself and your clients," says Secker.

Asked about the future, he begins to list all the countries where Knowledge to Action is running its unique programme of combined training and trading: "We run in Australia, the United States, Norway, Sweden and Denmark, and I've just gone into India. We're also in South Africa and looking to grow in that market. The future for currency trading is really very bright." ♦