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# If You Don't Have Any Expectations, You Won't Have Any Disappointments...

As Vince Lombardi said, "The only place where success comes before work is the dictionary!" Keep this in mind as you review the incentive plans outlined in a company's proxy. The value of the incentive award should be proportional to the difficulty of the goals required to receive the award.

For example, if the goals in the annual incentive plan are to increase earnings per share at a rate that is half the industry average, then that is a good indication that the executives are playing it safe by setting easily attainable goals. Playing it safe means executives won't lose their incentive pay. But it can also mean that the company won't prosper much, and neither will the investor.

As the saying goes: "If you have low expectations there is good chance you will fulfill them."