Target setting is the use of baseline data, information on possible strategies, resource constraints, and forecasting tools to collaboratively establish a quantifiable level of performance the agency wants to achieve within a specific time frame. Targets make the link between investment decisions and performance expectations transparent across all stakeholders.

**Implementation Steps**

Target setting is broken down into two complementary subcomponents:

- **Technical Methodology:** Implementation of an evidence-based and data-driven approach for observing a baseline and evaluating a performance trend.
- **Business Process:** Establishment of an intra-agency process including internal coordination and collaboration to establish and modify performance targets.

Each subcomponent has its own set of implementation steps.

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**Making the Connection**

The Target Setting process (Component 02) takes the goals, objectives, and performance measures of the Strategic Direction (Component 01) and establishes targets. Targets are used to assess progress toward achieving strategic goals, guide planning efforts, inform programmatic decisions and adjustments, and communicate with stakeholders.

**Target Setting and the TPM Framework**

For more information on target setting and the other components of the TPM Framework visit: [www.tpmtools.org](http://www.tpmtools.org)
Perspectives

“Target setting should not focus on a single target value for a performance measure, but on achieving improved performance over time. The value of performance management is found in better decision-making, not target achievement.”

— AASHTO SCOPM Task Force Findings on MAP-21 Performance Measure Target-Setting

“Public opinion surveys can... [link] different transportation system performance levels and the level of inconvenience perceived by users.”

— NCHRP 551: Performance Measures and Targets for Transportation Asset Management

“Target setting is difficult for many reasons, including limitations in data and tools to forecast expected performance levels, uncertainties due to exogenous factors that may affect performance, concerns about setting targets that are either too ambitious or too modest, and public and elected officials’ perceptions, among other issues.”

— Target Setting Peer Exchange (2014)

Case Study: Implementation Step 2.2.3
Benchmarking with Peer Agencies

In 2004, several state DOT CEOs requested a multi-year research effort to look into the feasibility of sharing performance measurement results across agencies. As a result, ten NCHRP projects were developed (NCHRP 20-27 (37) Reports A-L) that created peer groupings, compiled detailed performance data, and calculated commonly defined measures.

The research series demonstrated that sharing information between agencies can provide useful insights into target setting. Pavement condition is a good example of this as seen in the chart below, which illustrates how pavement condition has similar patterns in each of the four regions. A bar represents the percent of pavement condition in good/fair/poor condition for the participating state by region. The similar results by region suggest some factors exist (e.g., weather conditions) that affect performance results. Therefore, when looking to gather peer information for target setting, agencies should reach out to peers in their geographic areas.

Interstate Pavement Condition by Region, 2006-2007


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