

Target Setting

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.

What it Takes

Inside an agency, the target setting process is intertwined with the tenets of transportation performance management (TPM): connecting employee actions to results, motivating and focusing staff, increasing accountability, guiding the allocation of resources, and tracking the efficacy of various strategies. Viable target setting is based on three major building blocks:

- quality data,
- good analyses, and
- solid business processes.

Quality data are the foundation to observing the baseline, conducting trend line analysis, and estimating forecasts. What data are available? What are its limitations? Will it be available in the future? What can be applied to strengthen the usability of the data?

Good analyses are the approaches used to convert data into valuable information and ultimately your target.

Good business processes must be established and documented for accountability and repeatability, otherwise target setting will not be sustainable.

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.

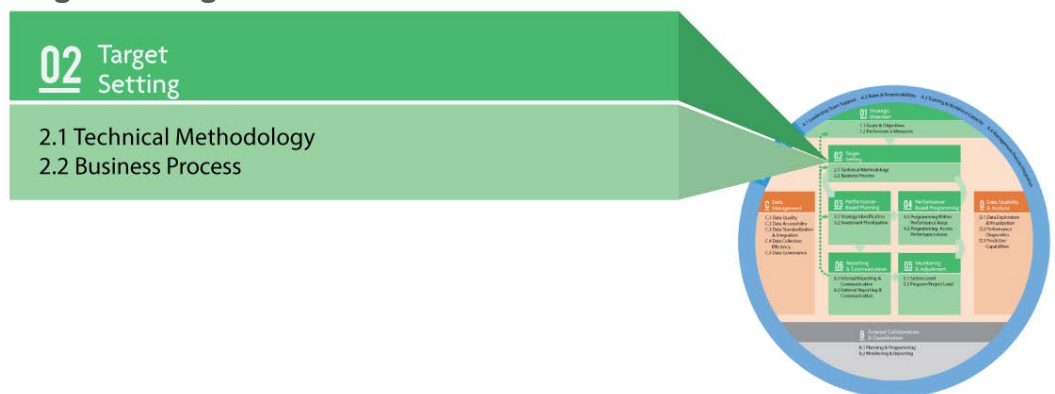
Each subcomponent has its own set of implementation steps.

Technical Methodology	Business Process
2.1.1 Establish a baseline	2.2.1 Assign roles and responsibilities
2.1.2 Analyze historical trends	2.2.2 Clarify purpose of the target
2.1.3 Identify influencing factors and assess risk (internal and external)	2.2.3 Gather information through benchmarking
2.1.4 Define target parameters	2.2.4 Reflect external stakeholder interests
2.1.5 Forecast future performance	2.2.5 Document the business process
2.1.6 Document technical methodology	

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



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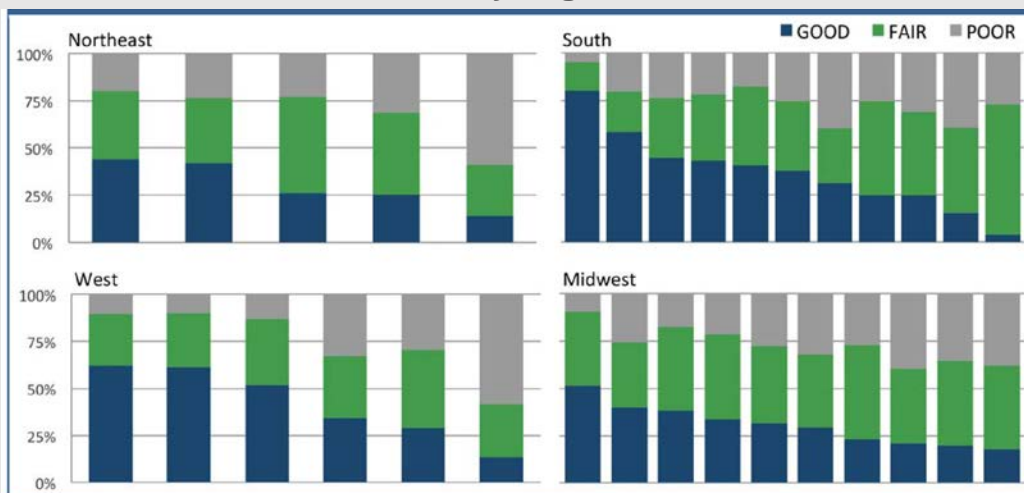
Case Study: Implementation Step 2.2.3

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



Source: American Association of Highway and Transportation Officials. (2012). State DOT Comparative Performance Measurement: A Progress Report. Washington, DC. <http://maintenance.transportation.org/Documents/Progress%20Report%20Final%20Draft-5-10-2012.pdf>. NCHRP reports at <http://apps.trb.org/cmsfeed/TRBNetProjectDisplay.asp?ProjectID=543>.

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)

Connect Online to Learn More

Visit the TPM Toolbox online to learn more about target setting and to take your own TPM Capability Maturity Self-Assessment: www.tpmtools.org