

# Private: How to set a target outcomes indicator

**A target indicator is what you want to achieve. You could set any target for your work, but that wouldn't be wise – it's best to base your target on previous experience or on research.**

A target should be a goal you are working towards. Here are some tips on how to set target indicators.

## You can use your baseline information to set a target

You can use your baseline information to set a target. Then, when you compare your service's current performance to your performance in the past you can see if outcomes have improved or worsened. It will tell you if outcomes are being achieved, and therefore help you analyse what is working in your service delivery, and what is not.

For information on how to gather baseline data, see [How to set a baseline outcomes indicator](#).

You can use benchmark information.

See [How to set a benchmark outcomes indicator](#).

## You can set an interim target

If you don't have any relevant evidence to help you decide what your target will be (such as benchmark or baseline information) then you will have to make an informed guess of what you can achieve. This is called a 'proxy' or 'interim' target.

## Don't set unrealistic target indicators

Unrealistic targets can make you lose credibility. There is a school of management thinking that argues that setting high targets will drive improvements in performance but don't let funders set unrealistic targets for you. Not achieving unrealistic targets doesn't just tarnish your reputation, it's also very demotivating for your staff.

## Don't set year by year targets

In [How to develop performance indicators](#) we talked about SMART goals, which includes having indicators which are timely. In the Results Based Accountability text book Mark Friedman warns against having year by year targets. He says that if you set targets for each year you might achieve improvements but risk setting your organisation up to be assessed as a failure every year. Remember Bob Hawke's commitment to end child poverty by the year 2000? The Hawke Government had significant achievements in lifting low income families out of poverty but will always be remembered for failing to meet its 2000 target. Friedman suggests using annual time frames for indicators internally but not externally.

## Referenced links

- [What is a Theory of Change?](#)
- [How to set a baseline indicator](#)
- [How to set a benchmark outcomes indicator](#)
- [How to develop performance indicators](#)