

## Tool: First PACE Cycle Setup

Referenced In: The Performance Operating System Series: The PACE Process

### Purpose

Set up your first complete PACE cycle in a single working session. The cycle itself runs in the week that follows. You leave the session with a rule to practice, a target condition with a date, a named situation to practice in, and a specific person who will tell you the truth about what they experienced.

This is the on-ramp to the PACE method. Run this once for yourself before you ask anyone else on your team to run it.

What PACE is, plainly

PACE is the practice of continual, disciplined, accelerated discovery. Continual because the loop runs every week, not when something breaks. Disciplined because the cycle runs the same way each time, with a written rule, a target condition, and external signal. Accelerated because each cycle compounds on the last.

### Step-by-Step Tool

Phase 1: The Two Gates (15 minutes)

Two preconditions. Pass both before moving to setup. Together they start a system where learning compounds. Week over week, your judgment sharpens, your decisions get faster, and the quality of what your team produces rises with them.

Gate One: Is your work complicated or wicked?

Some leadership work is complicated. That means it is hard but knowable. You can analyze your way to a reasonable answer, and when you try something, you find out within a week or two whether it worked. Your experience transfers reliably to the next time. Improving how decisions get made in a meeting, hiring with more discipline, running tighter priorities. This is complicated work, and the standard PACE cycle works as written.

Other work is wicked. That means the right answer is only visible in retrospect, feedback is slow or misleading, and the problem keeps shifting under you as you engage with it. Entering a new market, rebuilding culture after a leadership failure, making a strategic bet on something that does not yet exist. These are wicked. PACE still works in wicked environments, but the cycle slows down and adapts. That variant is for later. Pick a complicated domain for your first cycle.

The test: Name a real decision you or your team will make in the next month. If you can predict, with reasonable confidence, whether a given approach will work, the work is complicated.

Continue. If your honest answer is "we will find out," the work is wicked. Pick a different domain.

Your decision: \_\_\_\_\_

Which kind? \_\_\_\_\_

Gate Two: Do you have someone who will tell you the truth?

A PACE cycle has two required sources of signal. One is your read of what happened. The other is the honest read of someone who was there. Without the second, you are left with a confident story about how it went, and confidence in the absence of outside signal is exactly what built the patterns you are trying to change.

Name the one person you will ask, after you practice the rule, what they experienced. The person has to be close enough to the situation to have seen it, and the relationship has to have enough psychological safety that they will tell you what they saw, not what they think you want to hear. Amy Edmondson's research is clear on this: in the absence of psychological safety, people do not withhold information out of malice. They withhold it because the cost of speaking up feels higher than the cost of staying quiet. If that is the dynamic between you and the person you name, the signal you get back will be filtered before it reaches you, and you will not know it has been filtered.

If you can name someone who clears both bars in 30 seconds, you are ready. If you cannot, stop here. The work in front of you is not setting up a PACE cycle. It is building at least one relationship where psychological safety is high enough that the truth flows freely. PACE cannot create that safety. It can only run on top of it.

The person: \_\_\_\_\_

### **Before You Begin Phase 2: A Worked Example**

Before you fill in your own answers, here is what the six decisions look like for one CEO working through her first cycle. The pattern she picks is one almost every leader will recognize: meetings that end without anyone clear on what was decided or who is doing what next.

Decision 1: Focus area. She names it specifically: "Decisions in our Tuesday executive staff meeting that get raised, discussed, and end without a clear owner or next action." Not "decision-making." Not "meetings." A specific meeting, a specific failure mode, observable inside 30 days.

Decision 2: Source. She has read the 5Cs framework. Of the five steps (Context, Clarity, Create choices, Choose, Commit), she identifies Commit as the one her team consistently skips. She also names a peer CEO whose Tuesday staff meetings she has sat in on; that peer ends every agenda item with a named owner and a specific next action before moving on. External source plus internal exemplar.

Decision 3: Candidate rule. "Before moving on from any agenda item, I will stop and ask two questions out loud: who owns this, and what is the specific next action by when. I will write both answers in the shared meeting doc before the next item starts."

Decision 4: The gauntlet. She runs the five checks:

- Behavioral? Yes, anyone in the room can watch her stop, ask, and write.
- Testable? Yes, at the end of 30 days, she can count what percentage of agenda items closed with a named owner and next action.
- Portable? Yes, any leader running any meeting could practice this.
- Survives the outlier test? Yes, strong meeting cultures across industries converge on this.
- Rule not value? Yes, "make better decisions" is a value; this is a behavior.

The rule passes all five.

Decision 5: Target condition. Her first attempt is "I will consistently ask the two questions before moving on from each item." She catches that this is a restatement of the rule, not a target condition. She rewrites:

"By the end of week eight, at least 90% of agenda items in the Tuesday staff meeting close with a named owner and a specific next action captured in the shared meeting doc, and at least 80% of action items captured this way are completed by the following Tuesday's meeting."

That target condition specifies what changes in the system once the rule is running. It has two observable measures, a leading indicator (items closed with owner) and a lagging indicator (items completed on time), and a date.

Decision 6: Situation and person. The situation is specific: "Next Tuesday's executive staff meeting, 9 to 11 AM, eight-person leadership team, seven agenda items." The person is her head of operations, who attends every Tuesday meeting and who has told her honestly when previous meetings have run poorly. The question she will ask: "What was your experience of that meeting?"

She runs the readiness check. All six items are filled in clearly. She is ready to run the cycle.

Now do the same for your own cycle.

Phase 2: The Six Setup Decisions (60 minutes)

Six decisions. Each builds on the one before it. Work through them in order. Resist the urge to fill in all six and then refine. The discipline of completing each decision before moving to the next is part of what teaches you what good looks like.

What is a rule?

A rule is a single observable behavior a person does or does not do in a specific situation. It is drawn from someone who consistently produces the outcome you want, and it is specific enough that an outside observer could tell you whether it happened. The rule you bring to the cycle is a reasoned hypothesis, not a guess. You have seen this behavior work, in yourself or in someone whose results you trust, and you have reason to believe practicing it will move the system. The cycle is what tests whether you are right.

A rule looks like this: “Before stating my own view in a leadership team discussion, I ask each direct report what they see.” Not this: “Be more open to input.” The first is a behavior. The second is a disposition. PACE works on behaviors because behaviors are testable and dispositions are not.

Decision 1: Pick the focus area (10 minutes)

One area where progress would be observable in 30 to 60 days. Choose where the pain is most visible right now.

The test is whether you could observe progress in 30 to 60 days. If you could not, the focus area is too big.

Examples:

"Decision-making" is a category, not a focus area. Narrow it.

"Team performance" is a category, not a focus area. Narrow it.

"How my leadership team handles weekly priority conflicts" is a focus area. Keep.

"Why decisions in our Tuesday exec meeting get re-litigated" is a focus area. Keep.

Your focus area: \_\_\_\_\_

Decision 2: Identify a source for your rule (10 minutes)

A rule picked from thin air is a guess. A rule picked from a valid source is a hypothesis with grounding. You need one or both:

Internal exemplar. Two or three people in your organization who consistently produce good outcomes in this domain. Not the loudest. Not the most senior. Someone whose results hold across multiple situations.

External source. Published research, a book you trust, or a practitioner you respect who has solved this problem before.

 Watch for selection bias. If your three exemplars all look, talk, and think alike, widen the list before extracting a rule.

⚠ Reputation is not performance. Before you build a rule from someone's behavior, watch them work in the domain you picked. What people do in the room often differs from what they say they do.

Your source or sources: \_\_\_\_\_

Decision 3: Pick a candidate rule (10 minutes)

If you have a rule you already trust from experience, use it. If you need a starting point, the PACE method offers three sets of starter rules:

The 5Cs (Context, Clarity, Create choices, Choose, Commit), for improving decision quality.

The 6As (Architecture, Alignment, Agency, Accountability, Adaptability, Acceleration), for improving how a team performs.

Execution heuristics, for tightening how meetings run, how priorities are set, and how progress is tracked.

Pick one rule from the set that matches your domain.

Your candidate rule: \_\_\_\_\_

Decision 4: Run the rule through the gauntlet (10 minutes)

Five quick checks. Each is yes or no. If any fails, refine the rule or pick a different one.

- Behavioral. Can you watch someone do it or fail to do it?
- Testable. Could you tell after 30 days whether it was working?
- Portable. Would it hold up for a different person in a different context?
- Survives the outlier test. Would high performers outside your organization converge on something similar?
- Rule not value. "Be customer-focused" is a value. "Start every customer conversation by confirming the problem they are trying to solve" is a rule.

If your rule passed all five, keep it. If it failed any, revise and run it through again. The ten minutes here saves the four weeks a bad rule will waste.

Your final rule: \_\_\_\_\_

A note on order

You will write your rule before you write your target condition. This is intentional. The problem you are working on is already known. The rule is a reasoned hypothesis about what behavior, if practiced, would move the system, built from your experience and whatever else you can bring to bear. You are not committing to the rule being right. You are committing to running the cycle honestly enough that you will see quickly whether it is working, and you will replace it with a better one if it is not. The target condition is what makes that visible. It is the downstream outcome the rule has to earn.

The risk in this order is writing a target condition that simply describes what your rule will produce, which guarantees the rule looks successful and tests nothing. If your rule is “ask each direct report what they see before stating my own view,” your target condition is not “I will hear from each direct report.” That is just the rule. Your target condition is something like “my direct reports generate the majority of new ideas in our weekly meeting within eight weeks.” That is testable and it can fail.

Decision 5: Name the target condition (10 minutes)

The rule is the behavior you will practice. The target condition is the observable state you are trying to reach by running the cycle. Two requirements:

It must be observable by someone other than you.

It must have a date.

Without both, you have an intention, not a condition.

Examples:

"I will consistently ask the dissenting question" is a restatement of the rule. Rewrite.

"I will get better at decisions" is an intention. Rewrite.

"By month two, at least eight of ten decisions in our weekly leadership meeting end without being re-litigated in the following two weeks" is a target condition. Keep.

"Within six weeks, direct reports propose solutions before I do in at least three of four team discussions" is a target condition. Keep.

The most common failure is writing a target condition that measures the behavior twice. The target condition has to specify what changes in the system once the rule is running.

Your target condition: \_\_\_\_\_

Decision 6: Pick the situation and the person (10 minutes)

One specific upcoming event where you will practice the rule. Not "this week" or "in meetings."  
A named day, meeting, and set of people.

The person you confirmed in Gate Two has to be present in this situation, or has to be someone whose perspective on the situation is informed.

The situation (named day, meeting, people):

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The person who will give you signal:

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The exact question you will ask them:

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The default question is "What was your experience of that conversation?" Not "How did I do?"  
The first gets data. The second gets evaluation.

Phase 3: The Six-Item Readiness Check (10 minutes)

All six should be filled in. If any is blank or vague, return to that step.

- Focus area is named and narrow enough to observe progress in 30 to 60 days.
- Source is named (internal exemplar or external source or both).
- Candidate rule is written in one sentence.
- Rule passed all five gauntlet checks.
- Target condition is written with an observable outcome and a date.
- Situation is a specific day, meeting, and set of people. Person is named. Question is written.

If all six are checked, you are ready to run the cycle. If even one is blank or vague, fix it before proceeding. This is the difference between running PACE and running something thinner that wears the name.

Phase 4: Cycle Commitments (5 minutes)

Before you close the session, name what happens next.

The PACE method uses a one-page card to capture each cycle. The Before section of the card holds your setup: the rule, the target condition, the situation. The After section is what you fill in once you have practiced the rule in real work, gathered the signal, and named your next adjustment.

You will:

1. Run the rule in the named situation in the coming week.
2. Within 24 hours of the situation, fill out the After section of the PACE card.
3. Ask the named person the question you wrote in Decision 6, and write down what they say. Word for word. Their language, not your interpretation.
4. Name one specific behavioral adjustment for the next cycle.
5. Repeat within seven days, with the same rule or a refined version.

The day you will run the situation: \_\_\_\_\_

The day you will fill out the card: \_\_\_\_\_

The day you will ask the person: \_\_\_\_\_

The day the next cycle begins: \_\_\_\_\_

### Facilitation Guide: First PACE Cycle Setup

Time Needed: 90 minutes for complete setup; cycle runs over the following week.

Best Used: As the on-ramp to the PACE method, before any team-level rollout.

Solo Use: Personal setup, ideally with a coach or trusted peer to push back on vague answers.

Team Use: Each leader runs their own setup in parallel; debrief together after first cycles complete.

Follow-up: After three to four cycles, run a short written check-in: What rule am I working on? What have I learned so far? Is the issue with the rule itself, with how I am executing it, or with this particular context? What is my one adjustment for the next cycle?

#### Key Success Factors

Force specificity at every step. Vague setup produces cycles that confirm whatever the leader already believed.

Resist the urge to fill in all six decisions and then refine. The order matters.

The gauntlet is where most first-cycle failures get caught. Run all five checks out loud, not in your head.

The target condition is the most common failure point. If it reads as a restatement of the rule, it is not yet a target condition.

Specificity on the situation and person is non-negotiable. "This week" and "someone on the team" are not answers.

### When the Setup Reveals Something Larger

Three patterns to watch for:

The leader cannot name a person who will tell them the truth. This is a relationship problem, not a setup problem. The PACE cycle cannot fix it. Address that first.

Every candidate rule fails the gauntlet. The leader is conflating values with rules. Slow down on Decision 3 and work through the value-vs-rule distinction with concrete examples.

The target condition keeps coming out as a restatement of the rule. The leader has not yet articulated what changes in the system once the rule is running. This is worth an extra 20 minutes. Without it, the cycle has no falsification test.

### What Comes Next

After three to four solid cycles in the chosen domain, the leader has enough live experience to extend the practice to their team. Two next steps, both built directly on the individual cycle:

A weekly coaching conversation with each direct report. Same five questions every time, in order: What is your target condition? What is the actual condition now? What obstacles are in the way, and which one are you working on? What is your next step, and what do you expect to happen? When can we check what you learned? Fifteen to twenty minutes per direct report, once a week.

A monthly team rule review. Thirty minutes. Each person names the rule they have been working on. Two people present their cycles in detail. The group decides which findings generalize across the team and which stay personal to the individual who developed them.

Both extensions compound on individual practice. Without the individual practice underneath, the team-level work reads as something the leader is imposing rather than something the leader is doing alongside them.

### Common Failure Modes

Setup completed in under 30 minutes: The leader rushed. Force them back through the gauntlet and the target condition.

Rule and target condition say the same thing: Rewrite the target condition. It has to name what changes in the system, not restate the behavior.

"This week" or "in meetings" as the situation: Send back. Named day, named meeting, named people.

Person named is the leader's spouse or peer outside the company: The signal needs to come from someone in the situation. Refine.

Leader skips the gauntlet: Most common cause of first-cycle failure. Non-negotiable.

Leader picks "decision-making" or "team performance" as the domain: Too broad. Narrow until progress would be observable in 30 to 60 days.

#### Closing Note

The discipline of writing the setup down, instead of running the cycle in your head, is what separates a real loop from a story you tell yourself about getting better. Specificity is not bureaucracy. It is the structure that makes learning possible.

## Sample PACE Card: Tuesday Staff Meeting

Here is what the worked example from Phase 2 looks like once captured on a PACE card. The Before fields were filled in during the setup session. The After fields were filled in the week after, once the rule had been practiced in the Tuesday meeting and the head of operations had been asked what she experienced. Use this as a reference for what a complete card looks like. Your first card will not be this clean.

<b>BEFORE: Set your intent</b>	<b>AFTER: Capture what happened</b>
<p><b>Rule (hypothesis you are practicing):</b> Before moving on from any agenda item, I will stop and ask two questions out loud: who owns this, and what is the specific next action by when. I will write both answers in the shared meeting doc before the next item starts.</p> <p><b>Target condition (observable state, with date):</b> By the end of week eight, at least 90 percent of agenda items in the Tuesday staff meeting close with a named owner and a specific next action captured in the shared meeting doc, and at least 80 percent of those action items are completed by the following Tuesday’s meeting.</p> <p><b>Control (leading indicator, behavior you can see weekly):</b> Percentage of agenda items that close with a named owner and a specific next action in the shared meeting doc. Target: 90 percent by week eight.</p> <p><b>Consequence (lagging indicator, business outcome):</b> Percentage of action items completed by the next Tuesday meeting. Target: 80 percent on-time completion by week eight.</p> <p><b>Situation:</b> Next Tuesday’s executive staff meeting, 9 to 11 AM, eight-person leadership team, seven agenda items.</p> <p><b>Specific commitment:</b> I will run the rule on every one of the seven agenda items, with no exceptions.</p>	<p><b>Where I followed the rule:</b> On five of the seven items, I stopped the discussion and captured the owner and next action before moving on.</p> <p><b>Where I drifted:</b> On the two longest items (the budget reforecast and the customer escalation), the discussion ran over and I let the conversation shift to the next topic without closing. By the end of the meeting neither had an owner in writing.</p> <p><b>What happened:</b> The five items that closed with owners produced follow-up work within 48 hours. The two items without owners showed up unresolved on next week’s agenda. Net meeting time went up by about 15 minutes because of the pauses, and three items that would normally have bled into next week got finished.</p> <p><b>Progress toward target condition:</b> Control: 5 of 7 items closed with owner and next action (71 percent versus 90 percent target). Consequence: too early to measure; earliest read will come at next Tuesday’s meeting when this week’s action items come due.</p> <p><b>My failure diagnosis:</b> Wrong execution. The rule is right. I drifted on the items where the discussion was most interesting, which is exactly where the rule is most needed.</p>
<b>SIGNAL: What others experienced</b>	<b>NEXT: One adjustment</b>
<p><b>Person asked:</b> The head of operations.</p> <p><b>What they said:</b> “I noticed you were closing items this week. It felt different. I left the meeting knowing what I was going to do next, which is honestly new. On the two that did not close, I was not sure whether we had decided anything or if it was mine to push forward. I would rather you stop us on those than let them drift.”</p> <p><b>Pattern (same as last time?):</b> First cycle, no pattern yet.</p>	<p><b>One specific change:</b> Next Tuesday, I will put a two-minute buffer at the end of every agenda item in the shared doc, explicitly reserved for naming owner and next action. The buffer is the forcing function, not my memory in the moment.</p> <p><b>Next situation to practice in:</b> Next Tuesday’s executive staff meeting.</p>

Your First PACE Card

Fill in the Before fields now, in this session, using your six setup decisions. Fill in the After and Signal fields after you have practiced the rule in the situation you named, gathered the signal from the person you named, and named your next adjustment. Then run cycle two.

*Page 1 of 2: Before and After.*

<b>BEFORE: Set your intent</b>	<b>AFTER: Capture what happened</b>
<b>Rule (hypothesis you are practicing):</b>	<b>Where I followed the rule:</b>
<b>Target condition (observable state, with date):</b>	<b>Where I drifted:</b>
<b>Control (leading indicator, behavior you can see weekly):</b>	<b>What happened:</b>
<b>Consequence (lagging indicator, business outcome):</b>	<b>Progress toward target condition:</b>
<b>Situation:</b>	<b>My failure diagnosis:</b>
<b>Specific commitment:</b>	

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Fill these fields in after you have practiced the rule and gathered the signal from the person you named.

<b>SIGNAL: What others experienced</b>	<b>NEXT: One adjustment</b>
<b>Person asked:</b>	<b>One specific change:</b>
<b>What they said:</b>	<b>Next situation to practice in:</b>
<b>Pattern (same as last time?):</b>	<b>Next cycle date:</b>