

# Daniel Schwartz: Transformational Leadership

Schwartz's Impact on Burger King and RBIDaniel Schwartz had graduated from Cornell University just a few years before he started working at 3G Capital in...

by **BOSS Editorial** | Published: November 7, 2024 | *Updated: November 7, 2024 8:05 am*



Reading Time: 4 minutes

**BECOME A BOSS**

Receive award winning BOSS Magazine each month.

## Schwartz's Impact on Burger King and RBI

Daniel Schwartz had graduated from Cornell University just a few years before he started working at 3G Capital in 2005; by 2008 Schwartz had become a partner at the global investment firm — and was executing strategic acquisitions of high-profile companies such as Burger King and window coverings manufacturer and retailer Hunter Douglas.

At the time, Schwartz was only 27 years old. But the firm, he told *Forbes* in 2019, believes in giving young people opportunities; and he was up to the challenge. "I worked hard and proved that I really cared. More so than anything else, I put the business and the firm ahead of myself," Schwartz reflected on Capital Allocators with Ted Seides.

## From Origination to Renewing a Restaurant Chain

The New York-headquartered 3G Capital was founded in 2004 by Carlos Alberto Sicupira, Marcel Herrmann Telles, Jorge Paulo Lemann, Alex Behring, and Roberto Thompson Motta — five businessmen with extensive backgrounds in finance.

In 1971, Lemann co-founded Banco Garantia, which became Brazil's leading investment bank and was later sold to Credit Suisse for \$675 million in 1998. Sicupira and Telles worked with Lemann at Banco Garantia; they also regularly gathered outside of work to spearfish and periodically invested together in companies such as Brahma, Brazil's largest brewer, which they felt looked promising.

## BECOME A BOSS

Receive award winning BOSS Magazine each month.



Name:

Email:

Submit

Sicupira and Behring met in the mid-1990s when Sicupira spoke in a class at Harvard Business School where Behring was enrolled as a student. After completing his degree, Behring worked for Brazilian private equity firm GP Investimentos and later served as the CEO of América Latina Logística (“ALL”), a portfolio company that owned Brazil’s largest rail network.

**Creating 3G Capital** was reportedly Behring’s idea — something he proposed when he left ALL to Sicupira, Telles, and Lemann. The notion became a reality when Behring moved to New York City in 2004. In tandem with Motta, a former GP Investimentos co-founder, the group introduced 3G Capital the same year.


Behring’s goal for the firm was to have it make investments outside of Brazil — using the owner-operator structure that Banco Garantia had employed, focusing on one company at a time and providing more than solely financial assistance to the companies it invests in.

Since joining 3G Capital 19 years ago, Daniel Schwartz has led a number of the firm’s acquisitions — including the nearly \$4 billion Burger King deal in 2010. At the time of the acquisition, Burger King was a well-known brand that, according to CBS News, was the second-largest fast food burger chain in the world.

The company’s ownership history was complicated, though; and it had experienced periodic management changes, being helmed by 19 different CEOs in a 25-year span. A lack

## BECOME A BOSS

Receive award winning BOSS Magazine each month.



Name:

Email:

of a cohesive strategy or focus, in tandem with challenges arising from its marketing operations and product development efforts being based locally despite the company having global operations, led to inconsistent branding, communications, and other aspects that ultimately encumbered its performance.


**Schwartz and the rest of 3G's leadership**, though, felt aspects such as Burger King's name recognition presented the potential for growth, and changes to the chain's business model, ranging from menu innovation to financial reporting methods, could reduce overhead expenses and achieve other operational efficiencies.

Following the Burger King acquisition, the members of 3G's team engrossed themselves in understanding the talent management, compensation, and other aspects of the business. The firm was able to make a series of successful cost-cutting and other changes — and eventually take Burger King public again in June 2012. In 2013, Schwartz was named as its CEO.

"We set a bold, ambitious goal for the business of trying to be the best and the fastest-growing restaurant company globally. We compartmentalized costs and made groups accountable for their spending". This efficiency-focused strategy was crucial in restoring Burger King's profitability and solidifying its position in the industry.

## BECOME A BOSS

Receive award winning BOSS Magazine each month.

The image shows the cover of BOSS Magazine. The cover features a man in a suit and tie, smiling. The text on the cover includes "BOSS", "OUR LUCKY STARS", "GAINING GROUND", "READY, AIM, PREP", and "CAN READY FROM BUSINESS FOR WINTER LEE JARVIS".

Name:

Email:

The following year, 3G Capital acquired Tim Hortons and established Restaurant Brands International; renowned investor Warren Buffett's Berkshire Hathaway holding company, the *Financial Times* says, contributed \$3 billion in equity for the deal. Burger King and the coffee-oriented restaurant chain operate independently as part of RBI, allowing both entities to take advantage of the global scale, shared best practices, and other benefits that common ownership can provide.


"Over the past four years, we have transformed Burger King into one of the fastest-growing and most profitable QSR businesses in the world through successful international growth, a consistent focus on brand revitalization, and a strong commitment to our franchisees," Schwartz said in a **press release** about RBI's creation. "We are excited to build on this progress as we continue to expand Burger King around the world and look forward to working with and learning from Tim Hortons as we together create the world's leading global restaurant business."

## RBI's Subsequent Evolution

In 2017, 3G Capital added another company to RBI's roster — Popeyes Louisiana Kitchen, acquired for \$1.8 billion. Both RBI and its holdings continued to grow. Burger King opened 1,000 new locations globally in 2018, and in the U.S., the chain's **average annual volume per outlet rose 30%**, according to *Forbes*.

## BECOME A BOSS

Receive award winning BOSS Magazine each month.



Name:

Email:

**Submit**

In 2021, RBI added another business, Firehouse Subs, through what the *Financial Times* reported was a \$1 billion acquisition deal.

Today, Restaurant Brands International Inc. says it is one of the world's largest quick-service restaurant companies, with more than \$35 billion in annual system-wide sales and upwards of 29,000 restaurants located in more than 100 countries.

Schwartz's work with 3G Capital and RBI has earned him accolades from a variety of sources. Citing his role in the expansion of Burger King and RBI's origination in 2017, *Fortune* named the then-35-year-old Schwartz to its **40 Under 40** list, which highlights individuals who are helping to shape the business realm.


In 2018, *Nation's Restaurant News* included Schwartz on its **Power List** of industry members who are determining trends in the foodservice industry.

## The Importance of Long-Term Vision and Entrepreneurial Culture

Reflecting on RBI's long-term approach, Schwartz emphasized, "Most traditional investment firms, if they were in our shoes, probably would have sold [RBI] many years ago. Not only did we not sell, we bought more brands along the way. We are building this into a big company with a long-term mindset".

## BECOME A BOSS

Receive award winning BOSS Magazine each month.



Name:

Email:


Schwartz also credited RBI's success to its entrepreneurial culture, which gives young people early opportunities to prove themselves. "We try to create a more entrepreneurial atmosphere. We give young people the chance to take on responsibilities earlier than they might get elsewhere, which attracts very ambitious, talented individuals".

Schwartz's leadership philosophy extends to driving operational efficiency, alongside nurturing talent. This approach has helped RBI maintain consistent growth, cementing its position as a global leader in the fast-food industry.



## BECOME A BOSS

Receive award winning BOSS Magazine each month.

The image shows the cover of BOSS magazine. The title 'BOSS' is at the top in large white letters. Below it, there are several headlines: 'UNTOLD RICHES', 'OUR LUCKY STARS', and 'GAINING GROUND'. The central image is a portrait of a man in a suit. At the bottom, the text 'READY, AIM, PREP' is prominent, followed by a smaller line 'YOU LEARNED CAN READY YOUR BUSINESS FOR WHATEVER LIES AHEAD'. At the very bottom, it says 'BROUWER AND BOUTERBY FOR YOUNG'.

Name:

Email: