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**BEYOND
PRIVATE
EQUITY: 3G
CAPITAL'S
BUSINESS-
BUILDING
PARTNERSHIP
MODEL**



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EDITORIAL**

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When **Alex Behring** and **Daniel Schwartz** call **3G Capital** a business-building partnership, the language is precise and intentional. What they have built is a small group of operators who invest their own capital in great businesses, step into those businesses to run them, and stay invested for as long as the compounding continues. The mechanics of how they do that (who bears the risk, how decisions are made, how long they hold) reflect a philosophy that is entirely their own.

In a rare public conversation on the Invest Like the Best podcast, Behring and Schwartz laid out what makes **3G Capital** the way it is: owner-operators who concentrate deeply on one great business at a time, invest more of their own capital than anyone else's, and build relationships with founders over time before any transaction enters the picture.

One Business at a Time

The foundational choice at **3G Capital** is to concentrate fully: one great business at a time, one set of partners fully engaged, total attention rather than divided focus. That choice traces back to the Brazilian investment culture that shaped Behring

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equally scarce. The logical response is not to spread attention thin but to focus it entirely.

The consequence is a firm that can hold its standard without compromise. For each investment, **3G Capital** spends years evaluating opportunities, with only a small number ultimately meeting its standard. As Schwartz put it: “We’d rather do nothing than buy a business we don’t think is great.” That conviction is only credible because the firm is built to mean it.

Owner-Operators

At **3G Capital**, partners invest meaningfully in each acquisition, with a structure designed to closely align decision-making with long-term outcomes. This creates a system where incentives are directly tied to performance and ownership mindset is embedded in how the firm operates.

As **the Colossus profile “Built to Own”** documents, this structure reflects elements of earlier partnership models, where ownership, performance, and long-term alignment are closely linked.

Long-Term Ownership as Strategy

The most visible expression of **3G Capital’s** philosophy is how long they hold. The firm invested in Restaurant Brands International, the company that grew from the 2010 acquisition of Burger King, over fifteen years ago and is still holding. As **Forbes contributor Hank Tucker has noted**, that investment has returned approximately 30 times the original equity. Staying long was not a failure to exit. It was the strategy.

Operators, Not Allocators

The most important thing to understand about **3G Capital** is the background of the people running it. Behring previously



investment side. Several of their partners have similarly served as CEOs, CFOs, or senior operators of large businesses.

When **3G Capital** acquires a company, the partners work closely alongside existing management teams, bringing operating experience and perspective to support execution. Partners who have run businesses themselves engage as board members and operating executives, with a focus on partnering hand-in-hand rather than directing from a distance.

Schwartz described the approach when recalling how Behring prepared him for the Burger King acquisition: “A business is nothing more than a bunch of people kind of running around doing things. And the quality of the people is paramount to the quality of the business.” That is not a consulting framework. It is the operational intuition of someone who learned it by doing it.

The Zero-Based Budgeting Misconception

3G Capital has a public reputation as aggressive cost-cutters, defined in the popular press by their application of zero-based budgeting a process that requires every expense to be justified from scratch each year rather than carried over from the prior budget. The reputation is not entirely wrong, but it is significantly incomplete.

Behring described zero-based budgeting as “a great way for you to understand a business and to learn a business” a tool for gaining knowledge and freeing up margin that can be redirected into growth. He also suggested the importance assigned to it, in terms of explaining **3G Capital's** returns, is overstated. “If you look at the amount of money we made at RBI, and then you try to decompose that how much of it was because we did zero-based budgeting successfully, and how much of it is because we grew the businesses? Originally we



A new executive who joined one of **3G Capital's** businesses and expected a relentless focus on costs found instead that 790 of the 800 pages at an annual strategy offsite were devoted to growth, new restaurant openings, and operational improvement. Ten were about costs.

Staying Small by Design

One of the more counterintuitive features of **3G Capital's** model is that its principals have consistently chosen to remain a small firm despite strong performance and the obvious market for a larger fund. The question why not raise more capital, buy more businesses, grow the firm? is one they hear often.

The answer is that size would undermine the model. A larger firm requires more investments. More investments require a broader talent base at the firm level and inside the companies. More companies mean diluted attention and weaker operational involvement. The concentrated, operator-investor model that has produced **3G Capital's** results depends on scarcity one business, the best partners, total focus.

Staying small also preserves the firm's ability to offer what Schwartz describes as founder-like economics to talented people: meaningful equity, a fast path to partnership, and genuine responsibility earlier in a career than they could find anywhere else. That talent pipeline is itself part of the competitive advantage.

What Behring and Schwartz have built is a firm with a clear identity: a small group of operators who invest their own capital alongside others, concentrate fully on one great business at a time, and stay invested for as long as the compounding continues. **3G Capital** is, in every meaningful sense, a business-building partnership, designed not just for the next investment, but to endure.



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