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Is the end (of exclusivity) near for AT&T, iPhone?

Regardless of when it happens, AT&T will feel an effect, but it won't be devastating, an analyst projects. Still, in the first year of competition, some 4 million customers will be free to roam. **1A4**



The gaucho way

Fogo de Chão CEO Jair Cesar turned up the heat in Texas when he launched his Brazilian steakhouse chain in 1997 in Dallas. The ethnic format continues to gain fans. **ENTERPRISE ZONE, P13**

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July 9, 2010 | 10A3

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THE GAUCHO WAY Fogo de Chão founder and CEO Jair Cesar, front, sets the restaurant out for the Brazilian steakhouse's eighth customer visit in 2009. But the concept continues to grow apace for him. The format features gaucho chefs, such as Mike Martin, left, and Guilherme Hoff, who serve the restaurant serving customers multiple types of meat, all they can eat.

IDEAS IN ACTION

Savory success

BRAZILIAN STEAKHOUSE CHAIN **FOGO DE CHÃO** CARVES OUT A LUCRATIVE BUSINESS SERVING SLOW-ROASTED MEATS IN DALLAS SINCE 1997

BY DANIELA LEE/STAFF WRITER

Twelve years ago, brothers Jair and Ari Cesar brought a century-old Brazilian style of cooking meat to the Texas barbecue scene. The recipe took off in four years, unleashing corporate competitors.

The success can only be attributed to the Fogo de Chão experience. A wide display of slowly roasted meats draws you inside, toward the front-facing counter where chefs carve to the sound. Inside, waiters dressed in paisiessimo crispness the dining room, serving all you can eat multiple portions of meat, available to customers.

Inspired by the Brazilian tradition of charcuterie, or raising meats over an open fire, Fogo de Chão opened its first U.S. location in Dallas in 1997.

The move was a big success — the restaurant chain brought in \$6 million in gross revenue, opening an average of two to three

restaurants per year in the United States. The chain has restaurants in 16 U.S. cities, including Houston, Chicago, Denver, Miami, Beverly Hills, Calif., and Washington, D.C., bringing in \$70 million in revenue for 2009.

Jair Cesar, founder and CEO of Fogo de Chão, credits former President George W. Bush with the chain's expansion from Brazil to Dallas and America.

"George Bush came to our restaurant in São Paulo, Brazil for a conference and we started talking," he said. "We told him we were looking to open in the U.S., and he said, 'Why not in my state of Texas?' I said, 'Maybe, and one year later, we opened our first restaurant in Dallas.'"

Fogo de Chão, which means "fire on the ground" in Portuguese, was already a phenomenon in Brazil. The Cesar brothers learned how to grill from their father. They slowly developed the Fogo concept and, in 1976, opened the first Fogo de Chão in Porto

BIGGEST CHALLENGE

While revenue peaked starting at \$40 a plate, Fogo de Chão was not spared from the recession, as customers cut back from fine dining. But because a good portion of the chain is in Brazil, a country that has experienced exponential growth, Fogo's overall business continued to build revenue during the downturn.

Alagoa in Brazil. While the Cesar brothers noticed some of their customers were from out of town, they expanded to São Paulo, Brazil's largest city by 1987. Fogo had built such a reputation that international corporations were holding their meetings at the Brazilian chain, where high-profile jet-setters, such as the George Bush became customers. Today, Brazil is linked with the Fogo de Chão locations.

The rapid success in Brazil is one thing, but so is achieving the same success rate in

PRIME CUT ABOVE

FOGO: Fogo de Chão
INDUSTRY: Brazilian steakhouse chain
HEADQUARTERS: 1401 Quorum Drive, Ste. 100
Dallas, TX 75244
FOUNDED: 1983
TOP EXECUTIVE: CEO, 61% of the company owned
by the Fogo partners, 39% owned by CIP
Investments
EMPLOYED: 60 local, 170 global
ANNUAL REVENUE: \$1.12 billion (2008)
PHONE: 972-462-6133
WEB: www.fogochao.com

FOGO: Chain grew from start in Brazil

BY MICHAEL

America is impressive, considering concepts transfer from the village of Brazil to the American marketplace was not with little difficulty, a consequence typically unfavorable in ethnic culinary. Many also perceive our menu is the same here as in Brazil," Jair Cauer said proudly. Some minor adjustments were made, however, including eliminating chicken leaven from the menu and substituting the oak smoke.

But with a starting dinner price of \$40 per person at the additional locations — the only Fogo de Chão in North Texas — the chain was inevitably hit by the recession recession as he wince-substituted menu items and lower investments in 2008. The Dallas restaurant's revenue dipped from \$1.1 million in 2008 to \$40 million in 2009.

"The economy affected us a little bit in the U.S., and we went down in the last two years," Jair Cauer said.

North Texas also has seen the past few years bring in competition, offering the same charcuterie concept. Dan DeLeon Finest, a partner in Dallas-based Brazil & Young who has known Jair Cauer for about 18 years, shrugs off the competition.

"I believe Fogo stands above the competition for (many) reasons," he said. "Jair hires very good people, he pays them very well and he treats every employee like a family member."

Jair Cauer has had the chance to compare Fogo, but has turned down more locations here he has opened other locations. Some areas seem too tight or the location didn't make sense financially, Fauer said. "It takes a very disciplined individual to check his ego and make all the right decisions," Fauer said.

Each business scenario has not gone unnoticed, and Jair, along with his brother, Arri, were awarded Entrepreneur of the Year in Brazil as the World Entrepreneur of the Year awards.

"It helps in some businesses to transition with different economic climates, and that prevented any serious issues for the Fogo chain. "We didn't have any issues in Brazil because as you know Brazil's economy is booming," Jair Cauer said with a grin.

Website: fogochao.com | 774-76-7718

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