

# 16 HANDLES<sup>®</sup>

## 2023 FRANCHISE BROCHURE



**DISCOVER**

**STARTUP COSTS,  
REVENUE FIGURES,  
SITE SELECTION, AND MORE!**

*From the fastest growing frozen dessert  
company in the United States today.*



# INTRODUCTION

Founded in 2008, 16 Handles is New York City's first self-serve frozen dessert shop. It has since grown to 30+ locations across multiple states. 16 Handles' sets itself apart with addictive treats, eye-catching store design, and an unparalleled customer experience. We highlight individuality and customization, encouraging fans to "flaunt their flavor" with 16 different soft serve flavors and 50+ toppings and sauces. 16 Handles offers a variety of frozen and non-frozen novelties such as froyo, ice cream cakes, waffle bowls...and toppings to-go. Our menu also includes smoothies and shakes, bottled beverages, and grab & go snacks.



## THE HEART OF NEW YORK CITY



**Fun Fact:** Did you know that one of our locations is situated right in the middle of Times Square?! Goes to show you that our brand is seen by 300,000 individuals each and every day!

## MEET OUR EXECUTIVE TEAM

### NEIL HERSHMAN

#### *Chief Executive Officer*

Neil Hershman first joined 16 Handles as a franchisee at the Murray Hill, Manhattan location. He has since built a New York City dessert empire, operating over a dozen successful retail locations. In August 2022, Neil acquired 16 Handles with plans to lead national and international growth of the iconic Northeast brand. Neil's primary objective is to decrease startup costs, increase franchise partner's profit margins, and maintain best-in-category consumer ratings. In order to test new technologies and ideas, you can oftentimes find Neil spending his evenings working behind the counter at one of his 16 Handles shops. Neil graduated from The George Washington University with a degree in Finance and Astrophysics and spent his early career at a NYC-based asset manager specializing in structured credit. Neil is a commercial-rated pilot, alpine mountain climber, and ultra-triathlete, with feats such as summiting Mt. Everest and winning a 703 mile long triathlon.

### ERIK MALLON

#### *VP of Franchise Development*

Erik Mallon has spent most of his career dedicated to the field of franchise development, bringing a wealth of experience to his role as VP of Franchise Development at 16 Handles. Throughout his tenure, he has played a pivotal role in driving the growth and expansion of numerous franchise brands, successfully selling hundreds of franchise units domestically and securing master franchisors in over 30 countries. With firsthand knowledge as an operator at 16 Handles since 2011, Erik brings a unique perspective that allows him to fully understand the intricacies of the business and make informed decisions that align with the company's goals and values. Erik is an avid golfer, sports fan, wine enthusiast, and the father of four.

**“The franchise support has been excellent. I admire that Neil is an experienced operator.”**

**Alex Nicholas**  
*Franchise Partner, Naples, FL*



### DANNY DUNCAN

#### *Chief Creative Officer*

Danny Duncan is a comedic YouTuber with an amassed viewership of over 1.5 billion views. Danny has exceeded 150 million dollars in gross retail merchandise sales, with his products available in over 2,000 retail stores. Over 70% of Danny's audience ranges between age 18 and 34. Danny joins 16 Handles as Co-Owner and Chief Creative Officer and has a principal role in overall brand vision and social strategy.

### LISA MALLON

#### *VP of Operations & Training*

Lisa Mallon has been part of 16 Handles since 2011, when she, with her husband Erik, opened their first location in Fairfield, CT. Driven by an unwavering passion for the brand, Lisa has been committed from day one to bring 16 Handles to communities nationwide. Lisa possesses a wealth of knowledge and experience in critical areas, with an extensive background in Human Resources, training, and store operations, as well as a Master's degree and multiple certificates in Labor Relations and Human Resources. Lisa's ability to connect with individuals on a professional and personal level has been instrumental in her ability to make a meaningful impact wherever she goes. When not working, Lisa enjoys traveling, hiking, and spending quality time with her four children and two dogs.

# WHY 16 HANDLES?

## 16 HANDLES IS EXPANDING NATIONALLY!

### OUR MISSION

At 16 Handles, our mission is to create moments of happiness by sharing the world's best-tasting desserts and snacks, centered around quality, self expression, and fun. These values have helped make us New York City's leading soft serve and frozen yogurt brand. Our passion and innovation are matched by our franchise partners, who've helped bring the happiness of 16 Handles to their local communities. Now's your chance to start the celebration in your hometown!



#### Success is in the swirl.

We've got a library of top-quality, proprietary flavors that guests can't get enough of. From our classic frozen yogurt to all-natural ice cream, industry-leading vegan soft serve to an endless toppings bar, we have self-serve options for everyone regardless of their preferences or dietary restrictions. Additionally, we sell exclusive grab and go items that boost check sizes and incentivize our customers to make 16 Handles their next destination.



#### Our business model is time-tested in diverse markets.

From Times Square NYC to the beaches of Florida, our low-labor, high-margin business model is a proven success in cities and towns, malls, and college campuses. With over 15 years of franchising experience, flexible footprints help bring 16 Handles to life in a variety of spaces and formats.



#### We believe in community first.

"It's quite literally the happiest place in town," says franchise partner Scott Noel about his 16 Handles shop. Our shops quickly become cornerstones of their communities, and with fundraising and event opportunities, franchise partners give back to their guests, creating lifelong fans ready to bring friends and family for their next trip to 16 Handles.



#### Our brand marketing and partnerships reach across demographic groups.

What does the world's #1 oat drink company have in common with Broadway's top musicals? Brand partnerships with 16 Handles! Our team works with top brands like Oatly, Disney™ and HBO Max, reaching new customers with signature sundaes and sweepstakes.



#### We use top-tier tech to build guest loyalty.

Our 16 Handles mobile app allows guests to collect Points, earn Rewards, and order pickup or delivery on the go. In today's tech-driven world, you can't afford to partner with a brand that isn't keeping up. We put the right tools in your hands to run an efficient, modern business that engages guests to build brand loyalty and drive revenue from day one.



#### 16 Handles is a fun place to work, own, and share with your community.

Who doesn't love to make their own dream-worthy sundae? Owning a franchise that serves as your community's happy place is a richly gratifying experience. "The most rewarding aspect of it is how happy and fulfilled customers are when they are in our stores," says multiunit franchise partner Rich DeCesare.

# STARTUP INVESTMENT

## HOW MUCH DOES IT COST TO BUILD A 16 HANDLES?

16 Handles was designed to be an affordable investment due to our unique, modular designs and millwork packages. As one of the fastest growing frozen dessert QSR's, we are able to pass along many volume discounts on equipment, technology, and supplies to our franchise partners.



### BASIC COST

Startup Cost Range\*:  
**\$242,500 - \$553,000 USD\*\***

The initial investment for a new location will range depending primarily on the size, configuration, rent, and condition of the desired storefront. We can provide more accurate estimates once we confirm those details.

Royalty Fee:

**6% GROSS SALES**

Marketing Fee:

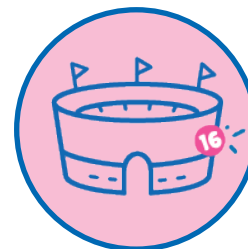
**2% GROSS SALES**

*\* Per unit developed. Startup cost is estimated, dependent on site size, location and current condition. Range includes a one-time non-refundable franchise fee of \$30,000 due to us at franchise agreement signing.*

## What type of locations do we offer?

We specialize in developing traditional retail storefronts operated year around. A retail storefront is generally either free standing, inline, or a kiosk. We operate in both urban and suburban markets, as well as shopping malls, colleges/universities, and event venues such as sports arenas. These locations provide our signature self-serve experience with seating, as well as takeout, delivery, catering, and drive-through (location permitting).

We also offer non-traditional storefronts on a limited basis. This includes express units with a reduced menu and mobile trucks. These may be used for specific events and locations, such as airports, fairs, or theme parks.



The ideal storefront is between 1,200 and 2,000 square feet, though the layout can be flexible, especially when considering alternative storage space (i.e., basements or shared storage rooms).

# PRIME LOCATIONS FOR A 16 HANDLES



**EAST VILLAGENYC**  
Our Original Storefront

## EXAMPLES OF LOCATIONS

- Central shopping centers
- Successful malls (indoor or outdoor)
- Active evening and night-time generators (restaurants, theaters, etc.)
- College towns
- Nearby schools and hospitals
- Connected grocery stores or big box anchors
- Neighborhoods with above average median household income

## REAL ESTATE SITE SELECTION

Our team includes experienced real estate professionals who have helped source and negotiate thousands of commercial leases in prime locations, including off-market deals. We work with our new franchise partners to find a range of available spaces in your territory before we select the perfect fit. We can then leverage our experience and brand size to negotiate favorable lease terms, and plan a timely construction period to minimize any risk exposure. Our services include:

- Site Analysis
- Lease Advisory
- Construction Consulting

Our real estate team will continue to work with our franchise partners throughout the life of their lease and any renewals and expansions.



## Are there financial qualifications?

We do require our franchise partners to meet certain financial requirements to work with us. This helps to ensure our brand maintains high standards across all markets and our operators are able to invest in their stores appropriately.

**Available Capital: \$150,000**  
**Minimum Net Worth: \$400,000**

"16 Handles **attracts customers in several waves:** upon opening, people line-up for **lunch** of frozen yogurt plus granola or fruit, then around 3 p.m. the **after-school rush** happens, and from 7 to 10 p.m. comes the **post-dinner dessert**. Many of its customers are **Gen Xers and millennials** who grew up with frozen yogurt" says author Gary Stern in **Forbes**

## Do you offer or suggest financing?

Many of our franchise partners finance some or all of their equipment and startup costs in order to keep extra cash on hand for the first months of operation. We do not provide financing ourselves, but we do work with several high-quality lenders to propose various opportunities to you depending on the project. Typically, lenders prefer franchise partners with good credit and business experience.

# STARTUP COST BREAKDOWN

The following chart shows estimated startup costs for a traditional retail storefront. Several factors, including the size, configuration, and rent of the desired storefront, influence the startup costs, which is why there is a large range. All numbers come from Item 7 of our Franchise Disclosure Document (FDD). The FDD, which is provided to candidates during the recruitment and mutual evaluation process, contains notes that provide more details about each of the startup costs listed below. Franchise Partners with good credit typically finance most of the startup costs in order to keep extra cash on hand for the first months of operation.

TYPE OF EXPENDITURE	AMOUNT	WHEN PAYABLE	METHOD OF PAYMENT	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$30,000	When you sign the Franchise Agreement	Lump sum	Us
Rent and Security Deposit	\$5,000 to \$30,000	As arranged	As arranged	Landlord
Utility and Other Deposits	\$500 to \$3,000	As arranged	As arranged	Utility companies and others
Architect and Design Fees	\$7,500 to \$15,000	As arranged	As arranged	Approved architect and design company
Leasehold Improvements	\$60,000 to \$145,000	As arranged	As arranged	Independent contractors
Exterior Signage	\$3,000 to \$15,000	As arranged	As arranged	Suppliers
Furniture, Fixtures and Equipment (including soft serve machines)	\$110,000 to \$250,000	As arranged	As arranged	Suppliers
Smallwares	\$2,500 to \$5,000	As arranged	As arranged	Suppliers
POS System and Back-Office Computer; License Fee	\$500 to \$2,000	As arranged	As arranged	Suppliers
Office Equipment and Supplies	\$500 to \$2,000	As incurred	As arranged	Suppliers
Business Licenses & Permits	\$500 to \$5,000	As incurred	As arranged	Local, state and other overnment agencies
Professional Fees	\$500 to \$6,000	As arranged	As arranged	Accountant, attorney, and architect
Initial Inventory of Product and Paper Supplies	\$5,000 to \$10,000	As incurred	As arranged	Approved distributors
Insurance (initial 3 months )	\$1,000 to \$3,000	As arranged	As arranged	Insurance providers
Training Expenses (travel and accommodation)	\$500 to \$4,000	As arranged	As arranged	Airlines, hotels, and employees
Grand Opening Marketing	\$8,000	In first 60 days of operation	As arranged	Suppliers
Additional Funds (for initial period of operations)	\$7,500 to \$20,000	As needed	As arranged	Your employees, suppliers and creditors
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<b>\$242,500 to \$553,000</b>			



# REVENUE FIGURES

We are able to share some financial data, including revenues, as reported by franchisees and compiled into a chart in Item 19 of our Franchise Disclosure Document. To get a better idea of the financial performance of owning a 16 Handles franchise, submit an inquiry!

**\$869K**

Average revenue for top third of locations (AUV, 2022)\*

**\$1.62M**

Top store gross revenue (2022)\*



**“Based on my experience owning multiple franchise businesses, 16 Handles is the best in terms of take-home revenue. I currently operate four stores and am constantly seeking out new locations.”**

**– Taiyab Zaidi,**  
*Multi-unit Franchise Partner, NY and NJ*



## How profitable is owning a 16 Handles?

Compared to similar QSR's, we believe we have lower cost of goods and require less hourly labor to operate a store. While profit margins vary by operator and location depending on monthly expenses such as rent, utilities, inventory, and payroll, 16 Handles' self-serve business model makes us an appealing opportunity for aspiring franchisees. Our inviting stores and irresistible products keep customers coming back frequently, enhancing revenue streams. We cater to a broad range of customer preferences with various product categories, including grab-and-go items that can help increase the average order value (AOV). Our ideal franchise partner will reinvest profits to scale their business and open multiple locations in their community to maximize revenue.

**Fun Fact:** Lisa and Erik Mallon opened 16 Handles in Fairfield, CT in 2011. Over a decade later, their store is still welcoming new and loyal customers daily! Today, both hold leadership roles on the Franchise Development team, showing our commitment to growth and excellence.

\*The FDD, which is provided to candidates during the recruitment and mutual evaluation process, contains important details that provide more insight about each of the revenue figures reported above.





## HIGH MARGIN, LOW COST

You'll often hear 16 Handles franchise partners bragging about our high-margin, low-cost business model. But what exactly does this mean? Compared to other foods, frozen dessert tends to have a cheaper product cost. At 16 Handles we create our own premium soft serve flavors in bulk quantities and are able to pass along significant cost savings to our franchise partners.

16 Handles customers love to create their own combination using our self-serve soft serve machines and toppings bar, which leads to lower labor requirements. Our stores can operate with less hourly employees and quicker initial training compared to other QSR's. All this means there is more money leftover in your bottom line! We likewise leverage our franchise system's large scale and total volume to negotiate favorable contracts with technology vendors, including our credit card processor.



## CATERING SERVICES

Our catering services encompass in-store events such as children's birthday parties and off-site celebrations such as weddings, office parties, bar/bat mitzvahs, and sweet 16's. These supplementary revenue streams fortify our stores' financial stability, especially during slower and colder seasons. The 16 Handles brand and products are perfect for catering and delivery, offering a convenient and fun experience for customers.

## MULTI-UNIT OWNERSHIPS

Multi-unit franchise operators can capitalize on synergies and economies of scale, resulting in increased overall profit margins. Several of our most successful franchise partners started with one location, reinvested their profits, and scaled their business to multiple units. If you are interested in opening multiple units or acquiring a territory, please get in touch.





## ENTERTAINMENT AND POP CULTURE PARTNERSHIPS

When you franchise with 16 Handles, you also unlock a world of exciting brand partnerships sure to appeal to a wide range of customers in your community. Our New York City headquarters stays on the cutting edge of trends, entertainment, and pop culture, and partners love to work with us to bring their ideas to life inside our shops.



## BRAND AMBASSADORSHIPS AND FUNDRAISERS

Our marketing team works with influencers, organizations, and brand ambassadors across our communities. We've partnered with college athletes, TikTok creators, and local schools to bring new customers into 16 Handles with content that is authentic and relevant to them. In addition to our corporate partnership with Trees for the Future, our franchise partners host events and fundraisers for organizations in their own communities. By working outside of our walls, we keep new customers lining up to try 16 Handles.



Heidi Klum



Jonah Hill

**Fun Fact:** What does your neighbor have in common with Jonah Hill? They both love 16 Handles! Thanks to our addictive frozen yogurt, upscale setting, and stellar customer service, we attract a wide range of customer demographics.

## OUR SUPPORT INCLUDES

- Real estate advisory and consulting during site selection.
- Turnkey architecture, design, and construction consulting.
- 2 weeks of initial training, at our stores and yours.
- Grand opening planning and PR.
- Ongoing marketing and advertising services.
- Custom graphics, promotions, and menu designs.
- Ongoing seminars and training guides.
- An annual franchise conference.
- Product and flavor development of 16 Handles' artisan menu offerings.
- Exclusive grab-and-go items from merchandise to edible cookie dough.
- Service agreements with software and delivery companies to reduce costs.
- A dedicated, experienced support team ready to help you find sweet success.



**“Being a franchisee of 16 Handles has been very satisfying for the past 8+ years. The most rewarding aspect of it is how happy and fulfilled customers are when they are in our stores. It’s a pleasure to discover how they believe 16 Handles rises above other self-serve frozen yogurt brands they have tried prior.”**

– Rich DeCesare,  
*Multi-unit Franchise Partner, NY and CT*



**16 HANDLES NAPLES, FL**  
Grand Opening

# STEPS TO OWNERSHIP

1

## Initial Inquiry

Interested? Have some questions? Let's start the conversation!

2

## Submit Application

We want to learn a bit more about you!

3

## Receive Franchise Disclosure Document

Your chance to review our detailed agreements and disclosure documents and ask any questions.

6

## Mutual Approval

Let's touch base to confirm we're a good fit for each other, and that your territory is available.

5

## Discovery Day and Territory Review

You'll have the opportunity to meet our leadership team, and discuss if 16 Handles the right investment for you and your community.

4

## Evaluation and Validation

Review our detailed agreements and disclosure documents and ask any questions

7

## Execute Franchise Agreement

We'll sign agreements and collect the initial franchise fee, then the real fun begins!

8

## Site Selection and Development

Following our comprehensive new store opening guide, our team will help guide you through the real estate and construction phases on your timeline.

9

## New Store Training

You'll come spend a week training with us at a real store, in addition to virtual training and weekly calls.

10

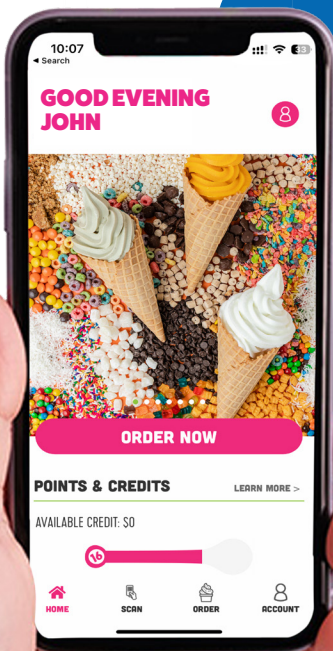
## Grand Opening!

Our trainers will be at your Grand Opening as you acclimate to your new store, develop your team, and welcome your first customers during the Grand Opening Party!



## WE KEEP GUESTS COMING BACK

Using proprietary analytics, AI driven optimizations, and targeted omni-channel marketing, we like to stay one step ahead of our customers. Our guest are incentivized to earn points at your store using the free 16 Handles mobile app, or by ordering online via connected first and third party channels.



**Better Rewards**



**Delivery**



**Order Ahead**

# FAQ

## 1 How can I get started?

Ready to take the first step? Submit your info online at [OwnA16Handles.com](http://OwnA16Handles.com), email us at [Franchise@16Handles.com](mailto:Franchise@16Handles.com), or call us at (917) 540-9396

## 2 What does it cost to franchise a 16 Handles store?

The start-up cost is estimated between \$242,500 and \$553,000, including a \$30,000 franchise fee due upon signing. This cost varies depending on the size, location, and existing condition of the proposed space and on other factors.

## 3 What is a franchise fee for a 16 Handles store?

Depending on how many locations you plan to open, the franchise fee for the first location is \$30,000 with fees for additional stores between \$20,000 and \$25,000.

## 4 What are the royalty and marketing fees?

Royalty: 6% of gross sales. Marketing fee: 2% of gross sales.

## 5 What are the financial requirements of an approved franchisee?

\$150,000 minimum cash liquidity and \$400,000 minimum net worth.

## 6 What is the recommended size for a 16 Handles store?

The ideal shop is approximately 1,500 square feet, with larger spaces accommodating additional seating, storage, and party rooms. Non-traditional retail shops can be as small as 350 sq. ft., with additional offsite storage available.

## 7 How long will it take to open a 16 Handles store?

Several factors determine the time it takes to open a store including whether a location has been identified, the existing conditions of the location, and construction. Once a franchise agreement has been signed, it usually takes between four and six months to open your store.

## 8 How do I get supplies for my store?

16 Handles' distribution network supplies all necessary food product, paper goods, furniture, marketing materials, and service support to operate successfully.

## 9 How will my store perform financially?

Local costs such as buildout, labor, and rent will vary and impact financial performance. As disclosed in our 2023 Franchise Disclosure Document, our top one third of stores had average annual gross sales of \$869k in FY 2022, and the top store had annual gross sales of \$1.62m. Please see 2023 FDD for additional details.

## 10 What markets are currently open for franchising?

Please visit the Available Markets page on our website, [OwnA16Handles.com](http://OwnA16Handles.com), or contact us directly to find out if we are franchising in your neighborhood!

## 11 What's the next step?

After filling out an online application so we can learn more about you, our team will help answer questions and provide guidance on the Franchise Agreement and Disclosure Documents. We welcome you to visit a store during a discovery day, and we'd be happy to introduce you to existing franchise partners to hear about their experience.



# LET'S BUILD YOUR 16 HANDLES!

Design

Plan

Build

## FEATURED IN!



The New York Times

FOX BUSINESS

FORTUNE

Forbes

BUSINESS INSIDER

Fast Casual.com

VegNews

EATER

cheddar news

QSR

RESTAURANT BUSINESS

yahoo! finance

AND MANY MORE!

## GET IN TOUCH

WEBSITE: [OwnA16Handles.com](http://OwnA16Handles.com)

EMAIL US: [Franchise@16handles.com](mailto:Franchise@16handles.com)

CALL US: (917) 540-9396

