

SCIENCE

Chemist's ice cream franchise has a 'scoop' on national expansion

By **Mark A. Kellner**

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MANUFACTURING SMALL BUSINESS



Jerry and Naomi Hancock own the Utah-based Sub Zero Ice Cream store chain. | Mark A. Kellner/Crain's Utah

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It may be the least-likely formula from which someone could create a different kind of ice cream franchise: take one Brigham Young University grad who bought a burrito franchise, mix in a family of six, and flash freeze — using liquid nitrogen, no less.

  

The liquid nitrogen part might make sense when one considers that Jerry Hancock, 49, got his undergraduate degree in chemistry at “The Y,” as locals in Provo, Utah, refer to BYU. The burrito franchise, which Jerry and his wife, Naomi, 44, no longer operate, happened to be housed in a space too large for just one enterprise, so ice cream was suggested as an add-on to utilize space and build traffic.

Ice cream franchises aren't hard to come by – 14 of Entrepreneur magazine's 500 top franchises are in that category – so the Hancocks knew they'd have to offer something different, especially since the couple's business budget wouldn't allow for then-expensive rows of ice cream display cases.

The Hancocks saw an article about using liquid nitrogen to freeze food and the proverbial light bulb went off, spurring the couple to boldly go where few ice creameries had gone before. The liquid nitrogen chills the concoction at minus 321 degrees, hence the origin of [Sub Zero](#) as their company name.

“I didn't have any idea of the problems we'd have to solve,” Jerry Hancock said on a recent Friday morning sitting in Sub Zero Ice Cream's new flagship store, a painstakingly restored 130-year-old building on Center Street in the heart of downtown Provo. Housed on a street bustling with restaurants whose offerings range from Vietnamese to Indian to pizza and Mongolian barbecue, a mixed-to-order ice cream parlor seems to fit right in.

Sub Zero has also fit in across the country, with more than 50 franchises now covering all corners of the U.S. map.

The Sub Zero formula has guests pick an ice cream flavor and “mix in” items; then the scoop-shop server puts it all together in a stainless-steel bowl, which goes under a nozzle from which the liquid nitrogen appears in a cloud. Thirty seconds later, a cone-ready ice cream scoop appears.

But getting to flash-frozen was once a challenge for a small operation.

The ingredients used to flavor the ice cream base – which could easily be lactose-free, low-fat or custard style, if desired – had previously only been sold in large amounts for factory-level use. Take a few drops of these concentrated tastes and the end product was bitter. Those industrial-strength flavorings could be diluted, but would ferment, and not in a good way.

Hancock said he finally found a flavorings broker willing to repackage the taste makers in a form that would work for one-off creations. He found some military surplus liquid nitrogen tanks and

spent 2004 developing and refining the process, with his New York Burrito shop customers the test subjects.

By 2008, Hancock was ready to begin franchising, eventually teaming with a firm that promised to expand Sub Zero. After an ownership struggle clouded the company's future, the Hancocks solidified control of their business with the backing of their existing franchisees. Sub Zero remains privately held, though the Hancocks said they'll look for investment in the future.

That future appears bright: from a handful of stores the franchise has grown to boast a national presence, with more stores coming. In 2015, the chain's units did about \$8 million in sales, a number slated to rise to \$12 million this year.

According to the International Franchise Association, a Washington, D.C.-based trade group of which Sub Zero is a member, the quick-service restaurant category, which includes ice cream shops, will post 2016 sales of just over \$248 million, up 6.3 percent over last year. That surpasses the personal services category's projected growth of 4.6 percent, and comes just behind lodging's projected 6.6 percent increase.

Numbers, however, aren't the only thing the Hancocks have taken pride in during their journey in business. The couple said the greatest reward from their 12-year-old venture has proved the "sense of discovery" they've had in taking an idea from concept to implementation and now, to expansion and growth.

Along with the on-the-spot frozen ice cream, that accomplishment seems pretty, well, cool.

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