

The REAL HSVPOA golf pro-shop issue

Description

By Frank Leeming, Former HSVPOA Board Director, 12/13/19

The numbers say we can do better

Thank you, class, for your excellent feedback on our [report Wednesday](#) on how our Hot Springs Village pro shops are managed. Your comments generally fell into three categories:

- Surprise.
- Concern.
- Anger at me.

Concern focused on:

A) whether there is a conflict of interest with the golf director overseeing himself.

B) why this important part of the POA golf program isn't put out for competitive bidding, as we do when we look for someone to run a restaurant or pave our streets.

The anger was expressed by CEO Lesley Nalley on Nextdoor:

“Shame on former board member Frank Leeming for once again inciting anger towards POA staff members and using information that he obtained under false pretenses and then distorted to do so. Our fine POA staff deserves better. For Christmas can we please put down the pitchforks and recognize the value of POA staff (below the CEO) rather than using them as targets?”

Several of you wrote to say what good guys Tom Heffer and Rick Ross are, and I wholeheartedly agree. That, however, is not the issue.

The issue is whether our pro shops are being run in a way that's best for the POA, Hot Springs Village property owners and those who play our courses.

In researching this, I learned an accepted barometer for measuring how well a golf pro shop is doing is "golf pro-shop revenue for each round of golf played."

The Association of Golf Merchandisers (AGM) said the figures in 2011 were:

Public courses – \$8.52 in retail sales for each round of golf played.

Private courses – \$16.35.

Resort courses – \$30.98.

A detailed analysis of Bella Vista's five courses showed revenue in the pro shops at its five courses was \$3.28 for each round of golf played.

In the last 12 months in Hot Springs Village, revenue in the pro shops at our eight courses was \$1.59 a round (see the chart below).

So there appears to be room for growing the revenue in our pro shops.

Would it help to delay renewing the management contracts with Tom Heffer and Rick Ross (they're up for renewal on Dec. 31) and advertise nationally to see who might be interested in running our pro shops, and how they might change things?

Some of you pointed out Villagers are notoriously tight-fisted and would rather buy their golf balls at Walmart and new clubs from Amazon because they can save a few bucks. Others say they do that because our pro shops don't carry the right merchandise.

Maybe it's time to take an outside look at this.

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Some other golf stats for you to consider:

Bella Vista's total golf revenue for each round in 2017 at its five courses was \$27.11 – \$4,103,047 in revenue and 151,327 rounds.

In Hot Springs Village, total golf revenue for each round in 2017 at our eight courses was \$25.67 – \$6,251,081 in revenue and 243,517 rounds.

Average annual retail sales in golf pro shops in 2011 were:

Public courses – \$326,979.

Private courses – \$479,800.

Resort courses – \$1,467,586.

Bella Vista (five courses, 2017) – \$497,066.

Hot Springs Village (eight courses, last 12 months) – \$343,829.

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Now, for those of you who really like to dig down in the weeds, I'd urge you to take a look at the 125-page *Bella Vista Golf Market Analysis* prepared last year by Golf Property Analysts of Conshohocken, Penn. It takes a very detailed look at the golf business in our sister community in northwest Arkansas and includes a lot of material useful for Villagers.

Like our \$500,000 Comprehensive Master Plan, the Bella Vista study contains a lot of boiler-plate information the analysts paste in to make the report look good, but you can quickly zip forward to the good stuff about Bella Vista and the other golf courses in that area, and what the analysts say about our courses.

See the pdf at the bottom of this article to view a copy of the Bella Vista report.



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Merry Christmas and a Happy New Year to all!

[Click pdf below to view Bella Vista Golf Market Analysis](#)

[Bella_Vista_Report_7_3_18](#)

By [Frank Leeming](#), 12/13/19

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1. HSV Villager's Opinion

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5. frank leeming hsv
6. hot spring village frank leeming
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lynn

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