



**MANAGING THE UNIVERSITY COMMUNITY
FUNDRAISING FOR EUROPEAN UNIVERSITIES:
EXPLORING OPTIONS**

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CASE STUDY: ISTANBUL TECHNICAL UNIVERSITY

ACTIVATING THE STAKEHOLDERS

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ISTANBUL TECHNICAL UNIVERSITY 1996-2004: FUND RAISING

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1. Introduction

Defining the role of higher education in the society and devising strategies for implementing that role is a never-ending quest as the society itself is in continuous change. Individual institutions of higher education can choose to be active players in the worldwide efforts to reformulate the functions and strategies of higher education or can be content with implementing received wisdom from best practices around the world or can even choose to resist change by preserving their existing modes of operation.

Istanbul Technical University (ITU) as a leading institution of higher education in its region shares the aspiration with many other entities around the world to be in the first group by being an active participant in shaping the role of higher education in a continuously changing world and in experimenting with innovative mechanisms for effectively implementing that role. The period since 1996 has witnessed an exceptionally active phase of pursuing that aspiration even for an institution that has been at the forefront of change in most of its 233 year history.

After a brief overview of the changes that took place during the last eight years (1996-2004), the paper provides a detailed assessment of ITU's experience in fund raising on two accounts. The first issue we probe is ITU's choice of approach to raise funds to realize its mission to be at the forefront of global change in higher education. The second issue relates to the actual strategies implemented to create additional and alternative fund.

1.1. Brief Historical Overview

ITU was established in 1773, during the reign of the Ottoman Sultan Mustafa III, as the Royal School of Naval Engineering (Mühendishane-i Bahr-i Hümayun). In 1795, Sultan Selim III issued an imperial decree (Kanunname) regulating the engineering schools. The school introduced French as a required foreign language in addition to Arabic. In that year, the Royal School of Military Engineering (Mühendishane-i Berr-i Hümayun), was established to educate the technical staff in the army. The Royal School of Military Engineering continued its separate existence until 1847, while the Royal School of Naval Engineering was moved to Heybeli Island in the Sea of Marmara. In 1847, first courses in the field of architecture were introduced. The Engineering School (Hendese-i Mülkiye) was formed in 1883 with the aim of teaching essential skills needed in planning and implementing the country's new infrastructure projects. The school was fully separated from the military branch in 1909, a year after the declaration of the Second Constitutional Monarchy.

After the war of independence, the Turkish Republic was declared in 1923. The republican administration was quick to realize that one of the sturdiest foundation stones inherited was the Engineering School. The government duly transformed it into the Engineering Academy (Yüksek Mühendis Mektebi) and granted it university status in 1928. The Engineering Academy continued to provide education in the fields of engineering and architecture until it was renamed as Istanbul Technical University (ITU) in 1944. Finally, in 1946, ITU became an autonomous university including the Faculties of Architecture, Civil Engineering, Mechanical Engineering, and Electrical Engineering. The engineering programs were reduced to five years from six enforced previously.

The programs were transformed in 1969 from a five-year "Diplomingeniuer" to a four-year B.Sc. degree and a two-year M.Sc. degree programs. The Higher Education Law passed in 1981 yet again revised the academic organization of the ITU as well as other universities in Turkey.

Istanbul Technical University (ITU) has been experiencing continuous change ever since its foundation in 1773 during the Ottoman era. This change has been multifaceted: from an imperial to a republican institution at the start of the 20th century; from an international to a global outlook; and from a deterministic to a quality-based system after 1996. The process of change has been realized in two consecutive projects (ITU Project 2001 and ITU Project 2005) designed as the development plan of the university.

1.2. Vision and Mission

The mission of the university was set as “graduating worldwide competing engineers, scientists, architects, and artists” in 1996. The vision and mission of the university were revised by the Senate in 2002 to widen their scope:

Vision of ITU

As a contemporary research university, ITU strives to be a focal point of pioneering studies in research, technology, social sciences, and arts at national and international level.

Mission of ITU

As a higher education and research institution dedicated to the advancement of basic and applied sciences, our mission is to educate the technological leaders and entrepreneurs of the future in a rich intellectual environment sensitive to both local and global issues.

ITU is a state university which defines and continues to update methods of engineering and architecture in Turkey. It provides students with modern educational facilities while it retains traditional values, as well as uses its strong international contacts to mould young, talented individuals who can compete in the global arena. ITU seeks to graduate innovative professionals who are able to exploit information resources and to use them to create innovative solutions for the problems that they involve. In these processes, constraints are ethical, environmental, economic, esthetical and ecological issues.

1.3. Number of Faculties and Research Institutes

The University consists of twelve faculties, five institutes, thirteen centers of research and application, a school of foreign languages, a vocational school, a conservatory, and three service departments. The faculties are: Faculty of Civil Engineering, Faculty of Architecture, Faculty of Mechanical Engineering, Faculty of Electrical and Electronics Engineering, Faculty of Mines, Faculty of Chemical and Metallurgical Engineering, Faculty of Naval Architecture and Ocean Engineering, Faculty of Management, Faculty of Science and Letters, Faculty of Aeronautics, Astronautics, and Faculty of Maritime and Textile Design and Technology. The Institutes are responsible for postgraduate studies and research. The Institute of Science and Technology, Institute of Social Sciences, Institute of Energy, Eurasia Earth Sciences Institute, and Informatics Institute serve as Graduate Schools in related areas and organise multidisciplinary research teams and programs. The School of Foreign Languages is directly connected to the rectorate.

1.4. Number and Distribution of Students across Levels and Faculties

The state universities in Turkey have been suffering from increasing student enrolment, an outcome dictated by the requirements of the HEC and precipitated by demographic pressures. ITU has been trying to control the rise in undergraduate enrolment and increase its postgraduate student number in accordance with the University's vision and mission. If we analyze the undergraduate student matriculation, it is evident that undergraduate matriculation was stabilized at about 2230 in 1998-2001, but there is a noticeable increase in the numbers of the last two-three years. This increase is due to the newly established departments and programs such as interior design, landscape architecture, control engineering, and the dual-degree programs offered jointly by the State University of New York (SUNY) and ITU. These programs are mostly established as a result of the demands of the stakeholders. At the moment each year ITU is accepting 2500 students for the undergraduate programmes.

The number of undergraduate and postgraduate students enrolled in the 2004-2005 academic year is about 12500 and 6500 respectively. These figures indicate that the university has, to a great extent, achieved the target set at the start of the restructuring process in 1996, namely a total of 20000 students and a postgraduate to undergraduate student ratio of 2/3.

1.5 Finance

The annual budget of each state university is negotiated jointly by the Higher Education Council and the university concerned, with the Ministry of Finance and, in the case of the investment budget, with the State Planning Organization. The result is a line-item budget with very specific earmarked budget figures. In addition to the annual state-provided budget, each university has four more sources of income: first, income from the services provided by the university to third parties, such as contract research, research and development projects, and continuing education activities; second, student fees towards highly subsidized services; third, each university has a research fund made up of a lump sum grant from the state-provided budget plus a portion of the income from the revolving fund and from earmarked projects given by the State Planning Organization; and fourth, land and building development projects. In addition to the general structure of funding in state universities, ITU has two foundations (ITU Foundation and ITU Development Foundation) contributing to the university through alumni donations and fund raising activities. The funds from the two foundations are not subject to strict state budget rules, and they provide a measure of flexibility to the management system. The share for research in the total budget is about 20% in 2003. Contributions from ITU Foundations are excluded in this table.

Table 1. The total budget of the University for the last five years (in thousands USD).

Type of Budget	2000	2001	2002	2003	2004
State	50186	39125	54690	68918	85211
Student Fees	4471	3406	3998	4204	6394
Revolving Fund and R & D Income	6362	5220	6757	7500	8783
Land and Building Development	682	959	710	1530	2126
TOTAL	61701	48710	66155	82152	102514
Research Budget*	5366	6314	13618	15851	19718

* "Research Budget" does not include the resources under formula funding for the establishing research centers

1.6 Relationship to Other Funding Sources

At present the major funding agency of ITU is the state. The funding sources other than the state and state controlled resources are the ITU Development Foundation, ITU Foundation, and individual donations. The income raised by the two foundations are generally in return for the services provided to third parties in the form of training, research, projects, and consultancy. The ITU Development Foundation was established in 1994. Since 1996, the Foundation has been instrumental in the change management and restructuring of ITU, a versatile institution with respect to both funding opportunities and the services range. The Foundation has served the university well in increasing its income and to speed up transactions with the customers. This Foundation has been the platform and apparatus for managing the large financial flows raised as a result of the fund raising campaign as well as the project-driven financing flows. The Foundation-linked efforts resulted in approximately 80 million USD fund-raising in cash and in kind, which was and still is the only one of its kind in Turkey in terms of its reach, its volume, its project completion record, its management performance and its contributor involvement.

The success of this effort has created a shared perception about a transformation at ITU and has allowed

the leadership to convince the State Planning Organisation (SPO) and Treasury to allocate substantial additional funds to ITU for large scale projects in the form of formula funding. During this period, ITU has been the leading university in receiving the largest sum of funds from these two sources. As part of the effort, ITU leadership has also received funding from several international projects from well known establishments such as JICA, GTZ, FEMA, EU funds (Framework Programs), MEDA, NATO, UNESCO, UNIDO, UNDP, NIPPON Foundation, and World Bank. Fundraising has effectively created a perception of success and an overall atmosphere of institutional change that have mobilised a variety of resources that reached well beyond the alumni. ITU has managed to receive additional fund from the state between 1997-2004 has reached to 60 M USD. These additional and external funds! have not been shown in the budget tables as they were not based on the annual budget system.

2. Pursuing an Ambitious Mission: Key Assets for Success

Aiming to be among the pioneer higher education institutions around the world is an ambitious aspiration and should build on sound foundations. As noted by the accreditation agencies, ITU has made notable progress toward that objective within the short span of eight years. Although, ITU's successful journey can be linked to a variety of qualities, three assets stand out as being pivotal in underpinning its success:

- I) Institutional affinity for change: ITU has the experience of having transformed itself many times in its long history which lays a strong foundation of institutional confidence.
- II) Ability to reshape external constraints: Due to its history, its historical impact on the society and its vast and influential alumni network, ITU has the ability to soften most of the financial and regulatory restrictions that may impede its path to change.
- III) Access to high caliber human resources: ITU selects most of its students from the top 1% of the one and a half million applicants taking the national entrance exam every year. The graduate students and the faculty flow from an even more selective process.

2.1 Institutional Affinity for Change

ITU is strongly identified with engineering and architectural education in Turkey. Since its inception and foundation under Ottoman rule, ITU has constantly led the way in reform movements. In the latter era of the Republic of Turkey. In 1969, the University took a historic decision to transform its programs from a five-year "Diplomingeniuer" to a four-year B.Sc. degree and a two-year MSc. degree programs. Changing the core structure of education was a challenge but the institution deemed that it was necessary and implemented it with great resolve. Therefore, when the recent transformation process began in 1996, the new administration was building on a long history of institutional exposure to change. The institution had the confidence that it could absorb change. That confidence has been a critical component in the administration's ability to reorient an institution as old and as large as ITU toward an elaborate ambitious mission within a short period of time.

2.2. Ability to Reshape External Constraints

Even if an institution has the willingness and the capacity to change, it may be constrained by forces beyond its control. In some settings, the regulatory and legal context of the institution may not allow fundamental reshaping of educational structures or may impede the emergence of new interdisciplinary research areas. Alternatively, the institution may simply lack the financial resources to achieve the requisite investments that will provide the facilities for intended reforms. Therefore, an institution's capacity for change is directly related to its ability to shape the regulatory and financial constraints it will confront in the process.

ITU's standing in the Turkish society as the oldest and the largest technical university has been pivotal in reshaping the apparent constraints. At a broad level, leading national institutions enjoy the benefit of the

doubt among decision-makers. Authorities are more willing to hear and accept new ideas if such initiatives emanate from an institution that is experienced and that would not take risks with its reputation. Furthermore, the wide and influential network of a leading institution's alumni can support the university against the conservative tendencies of the state bureaucracy. Most of the educational reforms described below and the introduction of new advanced graduate programs have been achieved with the support of ITU's enormous political capital that has accumulated over centuries.

On the financial front, ITU has again successfully leveraged its social standing and alumni network to remove the constraints that stood on the way of its intended reform projects. Both the state and the alumni have been receptive to ITU's ambitious new projects as part of its reform agenda and have provided substantial financial support. It should be noted, however, that the receptiveness of the state and private actors has merely opened up the possibility of raising funds. The ultimate success of the process has hinged on the institution's ability to design and to successfully deliver projects. In the absence of diligently planned projects and a demonstrated ability to deliver on promises, the receptiveness of the state and the alumni would have eroded very rapidly.

2.3. Access to High-Caliber Human Resources

ITU's strategy of reform has been built around the assumption of self-motivated individuals who will initiate bottom-up processes, take part in international networks, channel their international experiences as useful inputs for institutional change and who will continuously monitor the administration to ensure progress. Since self-motivated individual is the key element of the design, ITU's access to the best human resources in the country and from abroad has been critical to its reform initiative. It is only with the confidence in its human capital that the administration had the comfort to pursue a flexible system that relies on individual initiative rather than top-down control.

3. Fund Raising Environment in Turkey

3.1. Background of Foundations in Turkey

Starting from early Selcuk Period in the Asia Minor (8th century A.D) Hans, Sultans and wealthy people in the country used to create Foundations mostly attached to religious centers, namely mosques, to help poor people and people who are in the need of support by providing free food, accommodation and education and health services. These foundations have created many social aid centers, health centers, schools, accommodation and food facilities attached to Medreses. As Anatolia was on many commercial roads like "silk road" throughout centuries it was very important to establish "kervansarays" where travelers were perceived as "the guests of the god" in line with the overall Turkish culture. These kervansarays had to serve food and provide accommodation free. If a traveler was wealthy then he/she was expected to donate some amount to the foundation in order to keep the system running. When a founder established a foundation, it was the usual practice to secure its future by providing sustainable income for the foundation as well. Therefore the system that was to be established had to meet several requirement at the beginning. It had to establish the initial mechanism of the foundation and its future had to be secured. People who are not able to establish a foundation but still able to donate some of their income, used to donate part of their income to these foundations to support and help them to secure their future. These foundations have carried out their function throughout centuries by the help of wealthy and even middle class people who readily donated some part of their income to the poor neighbors motivated by religious reasons.

This culture has had a long tradition stretching back to Central Asia and is still very powerful in the country. Starting from the beginning of the Republican period, state created the necessary legal framework to facilitate donations to foundations if they provide certain facilities and services. The main incentive has been tax exemption. The individual who makes the donation has the right to reduce his taxable income by the donated amount. Many legal changes have occurred in the last 50 years in response to abuse of this instrument and state has narrowed down the coverage. State has put limitations on the tax-deductible donations by restricting exemptions to educational and health activities and facilities

and have recently extended them to include sport facilities a few years ago.

3.2. ITU Foundations

Istanbul Technical University established its first foundation in 1983, namely the ITU Foundation to raise fund for the university. The founder was the rector himself, the alumni were not involved in the initial effort. The idea was to invite alumni to support this foundation and create student scholarship programmes, dormitories and also to give support to university administration for the problems where the state budget could not be utilized. The University allocated land and building to the Foundation to establish its social center and dormitories. ITU Foundation has not been very successful as it had three main defects; firstly it created a closed structure that was not really an inviting structure for the alumni. Secondly there was no vision, no clear strategy, no initiative to make things happen. Thirdly it looked like a bureaucratic institution dominated by the university. The alumni did not feel themselves as stakeholders; instead they were affiliates or even guests in the foundation. ITU Foundation has only been able to establish two dormitories for girls with a total capacity of 150 and the total annual budget of the student scholarships has never exceeded 100 000 USD students during its history

In 1994, the alumni were not happy with the results of the ITU Foundation and they decided to establish a new foundation to be governed by the alumni where the rector of ITU would be the president of the foundation ex officio. The new foundation was named as "ITU Development Foundation" and starting from 1994 the executive board members have always been elected among alumni who have the determination and the willingness to help the university to upgrade itself to compete not only at national but also international level.

3.3 ITU Alumni

ITU has a high-profile alumni composition as many alumni are successful industrialists in the country. Türkiye's industry has been established by ITU alumni as ITU was the only Technology University until 1960's. Many industrial companies are owned or under the management of ITU graduates. Especially the construction sector is controlled by them. These companies are international companies and therefore alumni are deeply aware of the pressures of globalisation. Each meeting with the alumni produced numerous proposals to initiate radical reforms at ITU and to restructure the university for creating the requisite capacity for change to compete worldwide. They never gave up on expressing their wishes and plans for the future of the university. They have been and still are involved stakeholders of the university.

A pivotal asset of ITU was its graduates who were presidents, prime ministers and ministers of the Turkish Republic in the last 50 years. They have always been bound with a special tie to their university and tried to help their alma mater throughout the years. ITU's Ayazaga Campus land was allocated to ITU during His Excellency Mr Suleyman Demirel's Prime ministerial period in 1960's. As quite a large campus area in Ankara was allocated to Middle East Technical University in 1950's there was a solid justification for land allocation to ITU. Mr. Demirel has always been with the university administration to solve land and building problems. In total ITU has had two presidents, three prime ministers, many ministers and many high level bureaucrats in the State system since 1960's.

3.4 ITU 2001- ITU 2005 Projects

Starting from 1996 the Rectorate and the alumni decided that the ITU Development Foundation has a strong and functioning structure that can be a critical platform for ITU's transformation. The Members of the Executive Board were ready to support the project "ITU 2001 Development", an ambitious transformation project that created a marked impact not only on the academics but also on the alumni. The project had a clear vision, mission statements and a well-structured strategy to lead ITU from national to international, from regional to global outlook.

Facts by 1996 and Challenges

After 1960's ITU was not alone as a Technical University. There were Middle East Technical University (METU), Black Sea Technical University and Robert College which converted to the Bogaziçi University (BU) in 1970s. As two of them namely METU and BU have their instructions in English, under the forces of globalisation these universities have become more popular and ITU started to lose its attractiveness after 1980's. The alumni who were the most successful students of their high schools and were accepted to study in ITU as the best University in Turkey for years, started to put pressure on the university administration for change. Internationalization and quality issues were the main requirements and creating capacity for change was a "must" for them. As they themselves felt the need for engineers and architects in their companies who can speak fluent English, introduction of English as a second language in teaching and research was very important for them. They were not only representing ITU alumni but the Turkish industry as well.

On the other hand academics especially young generation were not happy with the existing traditional structure. Although ITU was able to convert its continental European University structure to Anglo-American system in 1969, there were many steps to be taken to go further and make the reforms successful. After 1982, under the strong central administration, universities lost their motivation to compete and became passive members of the HE Community. ITU has also lost its motivation. Young generations started to create new ideas on how to develop the university to get rid of this vicious cycle. In 1980's we were young and were not able to understand why there were too many limitations but no opportunities.

Whenever we proposed a new idea and a new project, the official answer was standard, "The legal framework does not allow us to realize your project" or "We have no financial resources to realize your project". The atmosphere was not conducive to imagination or initiative-taking. If a person was determined enough, she/he could try to find some external resources but at the same time she/he should have been able to satisfy the legal constraints in the university.

All of these constraints forced us to learn how to structure our efforts to function in contexts with unreasonable limitations. Therefore our generation was equipped to undertake radical changes to restructure the university. This was one of the most important coincidences because the young academics' future expectations were very similar to alumni's expectations. When a candidate for leadership emerged in 1996 for the Rectorship who shared these aspirations, the dispersed energy coalesced and formed the basis of a transformative period. That is how it is started. I was elected and appointed by the President Suleyman Demirel in 6th of August 1996.

After my rectorship period started in the second week, President Demirel paid a visit to our university and I outlined to him our projects that we would like to realize during the coming four years. The presentation of our projects were followed by the presentation of existing financial resources and there was clearly a gap between existing resources and the budget. On behalf of the University, I made the plea to raise at least 20 M USD, to start with, from the alumni.

A New Strategy for the Future

After this visit while we were working on reform programmes intensively, we also established teams to create detailed projects for fund raising parallel to our academic reforms. For the buildings that we were to construct or renovate we organized architectural competitions among our academic staff of our Department of Architecture and we also asked them that their contribution to this fund raising project will be their architectural design projects. Some renovation projects were commissioned to certain colleagues as they were experts in that area but this organization is also based on the same principles.

We have established a new centre for investments "Project Management Centre" and appointed a young colleague as the head of the Centre and employed very young ambitious and talented engineers and architects to structure this centre with new concepts and tools. IT based construction management courses and degree programmes flourished from this center in the coming years and built up its international reputation.

PMC was established as a research institution under the ITU Rectorate in 1997, with the main aim of planning, executing and controlling all construction projects and investments within the university

campuses. In enabling an efficient and effective management system PMC initiated a research project concerning Management Information Systems for ITU 2001 and 2005 Projects. The objective of the MIS was to develop an integrated data management tool including decision-support utilities for communicating, organizing and managing project information using web-based technology and the network.

While we were working on the projects we were working together with the President's Office to list the graduates who may make donations to these ITU projects. At the end of May 1997 President Demirel invited alumni for Dinner in "Dolmabahçe Palace" for starting ITU Fund Raising Campaign. In fact fund raising had already been started by the President earlier with several important donations from alumni namely, Sedat Urundul, Orhan Ocalgiray, Erol Ucer, Turan Karakullukcu. The Dinner created great motivation for alumni to donate and help the university in this progressive era.

One other important development that proved to be useful was the display of commitment by the leadership demonstrated by an individual donation by the Rector herself. for a dormitory of 56 girl students in Ayazaga Campus. Her donation created another big movement among the alumni and ITU has constructed 3000 student capacity in new high standard student residences in less than two years.

Many alumni meetings have been organized in Istanbul, Ankara, Izmir, Bursa, Antalya to inform alumni and try to increase their sense of belonging to ITU. Many small group meetings have also been organized for specific projects to form the funding groups. Every session created new ideas and new projects for which we worked even harder to realize them in the second period. The second term strategic plan has had a strong influence of these interactions. We learned from each other's experiences and created a good example in our country. The rector of the university has always assumed the leadership responsibility in this endeavor with the President's support. Her strong and committed working groups constituted by alumni and academics have always supported these projects without showing any sign of fatigue.

3.5 ITU Fund Raising Phases

ITU Fund raising project went through three phases. In the first phase, the focus was the student facilities, teaching environment, and academic support facilities. In the second phase, the focus shifted to research infrastructure and research activities. In the final phase, the priority has been the creation of an endowment to ensure sustainability of the mechanisms created in the first two phases.

In the first two phases, the philanthropic donation mindset as opposed to an endowment-driven approach, dominated the process and the investments were made to provide certain buildings and services to upgrade the existing university environment. The university was in a desperate state in its teaching and research activities and all efforts had to be directed towards creating modern teaching and research facilities as soon as possible. A parallel effort was directed towards enhancing academic and social environment for university staff and students.

In this first phase, student facilities (student residences, centers, dining halls etc.) have been created. Tremendous upgrading took place in the teaching environment and new academic support facilities (libraries, computer labs, science labs) have been realized. IT infrastructure and information systems have been upgraded and new facilities have been established in the most advanced way. Student scholarship programmes developed, and new incentives were created for mobility of academics to gain international experience and also awards for scientific publications have been started. In this phase the number of dwelling units for academics doubled, and performance based allocation for the distribution of these opportunities has been emphasized alongside the need based criteria. Towards the end of this phase, the first corporate structure was launched to run the student residences effectively under ITU DF.

In the second phase, research activities and research infrastructure were given priority. Research centers have been established. New buildings have been realized by the donations and the necessary funding for equipment and running costs have been funded by the state via formula funding and lump sum state allocated resources for specific projects. In this phase ITU DF established the nursery, primary school and a high school for mainly the children of the staff in the university. Donations for teaching has continued in

this period and student scholarship projects budget has reached its maximum with 3 Million USD. Besides developing special projects to support and develop human resources in the university, ITU DF started to create endowed academic positions in the newly established centers and programmes. At the same time ITU DF has become a facilitator for the industry to finance research students. This opened up new horizon for all the academic staff for future university-industry relationships.

Only after the completion of these initiatives, ITU DF was able to focus on sustainability of the whole system by the establishment of companies to run the facilities and to create an endowment for future developments of ITU.

In the third phase, donations continued in the areas of the first two phases but a new concept has been developed; investing for return. That would meet the requirement of being a foundation in traditional terms. In fact this concept has had its seeds from the beginning but as the university was in a desperate position we had to concentrate on the projects that would support teaching and research without any return concerns. During this period, schools that we realized for the staff children have built a formidable reputation in Istanbul and ITU DF has started to offer education to alumni children and the community as well. Therefore schools started to generate income for their future investments and maintenance. In this last phase, ARI Technocity was established by the help of ITU DF, the foundation started to make investments and to raise funds to form an endowment whose income will ensure the sustainability of the established centers, facilities and endowed positions which were realized by the initial donations. Therefore the last phase has a special importance for the whole scheme.

During these phases ITU DF and ITU have managed to use diversified funding in the same projects under the management of "Project Management Center". This has been one of the most interesting applications in the state funded university system. The new system was organized in a very flexible way to use different resources which were governed under different regulations. Combining different regulations and integrating them in the same project to achieve the goal was not an easy task and PMC managed to integrate these system without losing control of the processes. Construction of the buildings, equipments and running costs have different features and different requirements in term of regulations. The Rectorate and ITU DF spend a lot of time and effort to decide which resources are suitable for which part of the project which was decided to be realized. Especially the last building called ARI2 in ARI Technocity has set a very interesting example for the management of diversified funding.

ITU Fund Raising project has been one of the most successful examples in its domain. Integration of the reforms and the fund raising project created extensive impact not only in the university and ITU Community but in the country even in EU and in the World.

3.4. Success Factors

What are the success factors of the ITU Fund Raising Project?

Success Factors (University)

- 1 Strong Need For Change
- 2 New Administration with clear vision and mission statements and strategic plan
- 3 Creation of Capacity for Change and Reforms
- 4 Definition of the Projects and their related benefits to ITU's reforms
- 5 Strong Statement for Additional and External Funding
- 6 Strong Commitment to control the external constraints
- 7 Restructuring the system to use the external funding in an efficient, effective and transparent way
- 8 Creating efficient, effective and progressive task forces to realize projects

Success Factors (Alumni)

- 1 President of the Country is the leading figure in Fund Raising
- 2 Existence of Strong and Powerful Alumni in Industry and Business World

- 3 Alumni's strong commitment in ITU Projects
- 4 ITU's Friends Donations (after the success observed)
- 5 Establishing mutual environment among constituencies to respect and depend on each other
- 6 Media's contribution to support this success story
- 7 Establishment of well knitted Alumni networks through foundations, associations etc.
- 8 Creating Alumni Councils at departmental and faculty levels to extend the donations at those levels

3.5. Developing and Appropriate Fund Raising Strategy

- 1 ITU Fund Raising Project has been initiated by the president of the Country and the Rector of ITU
- 2 ITU's Fund Raising Project has been based on alumni and Industry.
- 3 This Fund Raising Project is integrated with the reforms
- 4 All the processes have been designed in a transparent way to keep the donors informed during the processes and the future developments.
- 5 Every donation project has been introduced to the potential donors as an integral part of the main project in order to give the donors a chance to understand their contributions' consequences at university and country level in a holistic approach.
- 6 University Executive Council and Senate were both supporting the Fund Raising campaign with their full capacity
- 7 ITU DF has played a major role in this process and raised funds for; upgrading the teaching and research environment in ITU, establishing new modern research and teaching facilities, establishing new student residences, establishing student centers, dining facilities, cafes etc., establishing health and sport facilities , establishing excellent schools for the staff's children, student scholarship , academic awards for international publications, scholarship for academics for mobility, creating endowed academic positions, awards for successful students
- 8 University allocated land to the ITU DF on the condition that when The Foundation makes an investment and realizes a facility (student residences, schools, cultural centers or some studios) then the Foundation or the Foundation owned companies are eligible to run these facilities.
- 9 ITU DF raised fund on the condition that it secured the future maintenance and developments of those investments to the donors.
- 10 The Foundation owned companies are responsible to run these buildings, to renovate them and make new investments according to emerging needs and provide scholarships (for dormitories) for students.
- 11 In the long run Foundation owned ARI Technocity Company is expected to return approximately 25 M Euro per year if it is able to realize the construction of 200 000m2 building by the year 2009.
- 12 It is planned that some of the donations should be used to create income in the long run for the future developments of the university. For the construction of ARI Technocity buildings ITU foundation has used its own resources and donations for creating annual income for the Foundation

3.6. Identifying the basic prerequisites for effective fund raising

Fund Raising Culture and Incentives

For effective fund raising there is no prescription. Every university, every country has its own environment and cultural setting which define the ways and strategies for fund raising. The strong foundation culture and the tax exemptions create a context amenable for fund raising . If these features do not exist, the first thing to do is to nurture this culture and to try to change legal framework to create incentives for donors.

Support of High Level People (presidents, primers..)

Turkish case might an exception. As His Excellency 9th. President Suleyman Demirel initiated many fund raising campaign in Turkey we have been very lucky to have the support of the president. Not only in ITU but also in Erciyes University and Mugla University and many others he has created big motivation for fund raising. He also motivated wealthy people across the country to make donations for schools and hospitals as well.

Well Defined Clear Vision, Mission and Strategic Plan

Without well defined goals which is the result of a clear vision and mission with the efficient, effective and transparent strategic plan there is no opportunity for strong commitment and no chance for effective fund raising. Vision and mission of the HE Institution should have strong but at the same time logical statements to attract alumni and other donors to commit themselves.

Strong, Committed Alumni or Citizens

Alumni plays a major role in all fund raising projects in universities. In some cases citizens play similar role for fund raising. Alumni feel themselves responsible. When they become successful they start thinking on their achievements and the role of their alma mater in their successes. This is a very important asset for a university which intend to raise fund. On the other hand there are alternative strategies like the case of Kayseri where Erciyes University constructed its fund raising on the citizenship.

Appropriate Administrative Structure (Transparency-Responsiveness)

If a HEI would like to raise fund it should restructure its administration accordingly. Transparency is the first requirement to be achieved for efficient fund raising. Another important issue is to be able react promptly when a donation opportunity emerges. If the processes are too slow, then there is no chance for effective fund raising. The fund raising campaign should have the top management responsible for the whole process. If there are too many people involved then inevitable processes become very long and tiring.

Mutual Understanding, Respect and Shared Value among Constituencies

If the constituencies have common shared values, respect and depend on each other then with the transparent processes the fund raising become a joyful story in which participants achieving something important for all of them and for their loved institution. In this case beyond effective fund raising many deep friendships can be established which are sometimes really more important than the achievements. Especially when alumni is in the donation project both sides can develop further ideas about the future of that HEI. Alumni become the part of the whole scheme.

Establishing Sustainable Structure

This is the most important issue that Turkish universities have not been able to solve the problem. There always contradictions between former and present administrations preferences. In Turkish universities rectors are firstly elected by the full time academics who have Ph.D in the university and then appointed in two steps among 6 candidates defined by this election. In this election processes sometimes candidates make promises which put the important projects in trouble in the next administration. In order to maintain sustainability, consistency between different administrations should be achieved. This can only be done by establishing " Board of Trustees" for securing the future of the university.

3.7. Building a funding competence and culture in the institution

Fund raising campaign has two sides; The University and The Donors (Alumni, Citizens, Friends). For building fundraising competence and culture it is necessary to analyse the features of the both sides. It is not enough to create competence and culture in each side separately. The synchronization and integration of both sides plays a major role in this process.

4. Conclusion

Knowledge creation is among the core functions of a higher education institution. Executing that function effectively is a growing challenge in a rapidly evolving context. Observing, assessing and integrating best practices around the world to formulate how best to meet that challenge is a shared objective of all leading higher education institutions. Istanbul Technical University has been transforming itself from a leading regional technical university to an international center of research and innovation to join the ranks of higher education institutes at the forefront of knowledge creation. However, ITU recognizes that more important than being at the forefront at one point in time is the ability to remain in that position by learning and adapting to changing circumstances. With that understanding, ITU has taken on the ambitious task of

fundamentally reorienting and redesigning itself to be a constantly learning institution and is resolved to maintain a permanent seat at the forefront of knowledge creation for decades to come.

In all of these endeavors ITU has been and will be in a position to seek for additional and external funding to realize its goals. In order to achieve a sustainable future and constant progress in its activities and products, ITU has to create an entrepreneur approach where it should let its strong alumni to lead all of these developments based on their extensive and successful experiences in politics, business and industry.

Key issue to be discussed: Management of diversified funding

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