



By: **Emre Alkin**

# University is a serious line of business



This week's article is for the esteemed readers of Tomorrow's Affairs—investors, university owners, and academic administrators.

No matter which continent you live on, managing a university is a serious undertaking. It is not just about academics or administration; it also involves financial management.

I stepped into academic life in 1992 and have served in various institutions, but let me explain why I have never loosened my ties with universities:

Some companies survive by managing costs well. Others excel at marketing management. Some operate almost like documentation centres, emphasising accounting. And let's not forget those who master human resources management.

There are certainly those who succeed by effectively handling procurement and turning a profit. All these functions are present in a university and must operate like clockwork.

However, the most critical factor for a university's development is "talent management." Instead of simply assigning personnel to tasks and telling them, "Do this properly," the key is to identify who is best suited for each role and then assign responsibilities accordingly.

## Quality education at an affordable price

If you ask what the main motto of a university should be, I'd say, "Providing quality education at an affordable price." Universities in every country's Ivy League tend to raise **prices** due to high demand, but they often fail to realise that they might be losing out on top talent—the "genius" category—because of this.

One often overlooked point is the danger of being overly dependent on external funding. Universities should be self-sufficient in thought and action. As with the Gaza **issue**,

Western universities that claim to promote "free thinking" have experienced unimaginable coercion and intolerance.

This shows that a university's self-sufficiency is a top priority. When dependent on others, it easily falls under their influence.

So, what does a university need to do to be self-sustaining? Here are some key approaches:

- Prioritise human resources management.
- Keep departmental standards up to date at all times.
- Instead of isolating students from the city, provide them with comfortable environments close to the business world.
- The "learn and teach" principle is essential—aiming for real knowledge acquisition and dissemination. Today, "truth" and "reality" are often different.
- Core values like equality, justice, free will, and respect must be fundamental.
- Protect and enhance the richness that comes from diverse cultures.

From that perspective, leaders like Trump, who impose hurdles for student **visas**, could cause their own universities to fail—don't say I didn't warn you.

## Genius can come from anywhere

It's crucial to create interdisciplinary environments where students can spend time outside of class hours. Also, establishing spaces where faculty members can broaden their perspectives through interdisciplinary conversations, which we call "collegium," is important. This is an old tradition that must continue.

Regarding exams and performance tracking, exam systems should be strict but not rigid; they need clear goals and standards. Results must be transparent, including questions and answers.

Department heads should monitor these, and vice-chancellors or deans should report on student success and satisfaction with interim reports.

In academic and administrative matters, exceeding minimum standards is vital. Support and incentive programmes should be diversified.

Administrative staff should be given opportunities to transition into academic roles, and some must have the opportunity to teach with academic titles, and share their experience.

European universities are progressing in line with EU **standards**, monitored by accreditation boards. Yet, that's not enough. Support for exchange programmes is necessary; sending staff abroad and inviting foreign academic and administrative personnel can bring "best practices" into focus.

Now, about strategic plans: some believe they are just paper exercises. But, in universities, these plans are meticulously prepared, monitored, and refined over time. The best strategic plan is "from the bottom up." Goals are set at every unit, and if they are followed at least twice a year, results will be achieved.

**Genius can come from  
anywhere—never forget that**

If, by the end of the third year, units or personnel haven't met their goals twice, the Board of Trustees evaluates the situation. Decisions are made on whom to tolerate, who will receive a "final warning," or who might need to part ways.

As I mentioned before, a university survives through talent management; if done right, it remains standing.

Those who watched the film "The Theory of Everything," about Stephen Hawking's life, remember the patience required from his doctoral advisors. Genius can come from anywhere—never forget that.

On the financial side: focus on building a sustainable structure without excessive capital or asset concentration. Effective budget management is crucial. At least 50% of project funding should come from the university's own resources; relying solely on external funding means missing out on valuable projects.

When participating in international projects, detailed planning is essential. "Unforeseen expenses" should not exceed 2% of the budget; if there are no disasters or wars, larger unexpected expenses indicate poor budgeting.

There should be a "reserve fund" amounting to at least 10% of total revenue. This is vital because, in an inflationary environment, the university needs strong liquidity to support personnel. Regular payment of salaries and fringe benefits is crucial.

Additionally, to prevent students from suffering due to rising costs, price controls on campus cafes and restaurants should be enforced. If necessary, various subsidies should be provided to assist students and staff.

## Value, not profit

All of this is only possible with a self-sufficient, financially strong university. Creating and maintaining a self-sustaining ecosystem without profit motive is the key.

Paying close attention to cash management is essential; making procurement and accounting processes transparent is not easy, but it is crucial.



*In a university, the aim is to produce "value", not profit. It rises through people, not buildings - Emre Alkin*

Departments should be monitored not only on financial performance but also on overall effectiveness. Instead of asking, "Why did you spend?" the question should be, "Why did you not spend?"

If an investment, procurement, or travel included in the budget has not been realised, its rationale must be questioned.

All these practices should not be centralised but carried out through a "decentralised" approach—bottom-up budgeting, goal setting, calibration, and monitoring.

In a university, the aim is to produce "value", not profit. It rises through people, not buildings. Efficiency is fundamental, and a properly functioning university is always more respected than the largest corporations in the world.