

Fundraising as a financing strategy in modern post-communist European entrepreneurial higher education institutions – Case of Croatia

Dina Vasić, Ivija Jelavić, and Zoran Barac

Abstract— Private education is a rapidly growing market in Croatia, while in the United States; this kind of ownership is a traditional concept of education. The diversity of ownership structures and difference from public funding, have created new models of fundraising for quality work. One of them is funding, which for decades has been one of the sources of funds in the successful operation of private higher education institutions (HEI) around the world. As the fundraising relates mainly to funding of the schools themselves, its development has led to the development of the very strategies of funding its use. With regard to the development of fundraising, there are several models of fundraising strategies that include a variety of communication channels for the development of fundraising activities. Strategies are those that are extremely important for the successful implementation of unduly and successful fundraising projects, and so fundraising strategy plays an important role for the fast-growing market of private higher education. This paper is focused on general HEI financing possibilities and fundraising as one of its possibilities. It also focuses on standard fundraising strategies and models developed within private U.S. HEI, its advantages and disadvantages.

Keywords— Croatia, financing strategy, fundraising, higher education institutions

I. INTRODUCTION

THE philosophy of sustainable entrepreneurial higher education institution is a complex issue, but if you begin implementing a transformation in financing strategy, especially in post-communist European countries, you get everything but set standardized framework working for all stakeholders. When talking about post-communist European countries, we have to take into account that most of those countries are still remaining their educational systems on the history basis, not developing enough to follow new business standards. Developed societies have set new standards of education for which are created new opportunities for financial support. As educational system as such can be divided into private and public, in this paper we will concentrate on private institutions of higher education that have through the development seen a gap in funding opportunities and that represent a new educational opportunities in post-communist world. A case of Croatia is being represented. In order to complete the gap in funding or completely lose it, there are created the new

strategies of financing, of which the most important is raising funds for proper functionality of all institutional aspects. Almost every organization needs funds for its development, whether it is about organizations that are yet to begin its work or organizations that are mature and financially stable. If modern educational institutions are about to educate future entrepreneurs, they have to act respectively. Creating sustainable entrepreneurial higher education institution is a laborious process, especially if you are about to implement a financial strategy changes in it.

Fundraising, as a transformational financing strategy is also a laborious process, but if there is no real goal or program that needs support and if the organization is ready to take all steps necessary to design fundraising success, then every organization is able to collect the funds needed to finance and successfully execute the project fundraising [1].

As the fundraising relates mainly to funding of the higher education institutions (further: HEI) themselves, its development has led to the development of the very strategies of funding its use.

II. ENTREPRENEURIAL HIGHER EDUCATION INSTITUTIONS

The Organization for Economic Co-operation and Development (further: OECD) categorizes a HEI as either public or private based on the level of government involvement in its management, either directly or through the appointment of members of its governing body. According to OECD, higher education sector in many OECD countries is dominated by public institutions where central or local governments have mayor role [2]. Nevertheless, recently, strong wave of new private institutions evolved around the globe. Being public, they are established either by central or local authorities or they are directly established by Ministry of Education [3]. Also source of their funding is public, i.e. by taxation by local or central governments. Funding can be operationalized either by directly providing (as in France) or purchasing or ordering services (as in Sweden) [2].

Private institutions are generally established as a non-profit institution licensed by MoE or government regulatory agency. Also there are private HEIs organized as a for-profit corporation listed on the stock exchange. One of examples is University of Phoenix such institutions as “pseudo universities” or “for – profit entities, seeking to earn the

money for the owners or shareholders” [4].

Altbach argues that in such institutions the concept of collegial or shared governance is non-existent. All key decision is made by management. Furthermore Altbach emphasize emergence of “family universities”, especially in countries like Mexico, Thailand, Taiwan, Japan, South Korea, the Philippines, Argentina, India and China. They are characterized by charismatic leaders, new and innovative ideas and reforms, and are controlled by family groups in not so transparent way. Academic freedom and faculty autonomy in such institutions are generally low. Generally, in post-communist countries HEIs are funded by the either central or local governments. Very rarely there are alternative sources of financing like donations or tuition fees. More recent phenomenon is emergence of tuition based private and entrepreneurial HEIs in post-communist countries.

According to Clark concept of entrepreneurial university has five elements; a strengthened steering core (strong central decision-making body), an expanded developmental periphery (entrepreneurial academic units are crossing organizational boundaries more quickly than traditional academic departments), diversified funding base, an integrated entrepreneurial culture and a stimulated academic base (academic units need to become more entrepreneurial and able to link with external organizations and derive extraordinary income) [5].

An entrepreneurial university produces services that are promoted in a highly competitive market. In such competitive environment, there is high demand for organizational adaptation and readiness for change. That is an organization characterized by risk-taking, initiation of new practices, and where entrepreneurship is often perceived as a process of commercialization of innovative practices [6].

According to Mihalache, an entrepreneurial university is consciously introducing new practices. It is innovational from the organizational, technological and financial point of view. The mission of the innovative entrepreneurial university is that of preserving and enriching national and universal culture, its target is training and forming specialists and its objectives are correct and clear reactions to the requirements of the society they are part of. Away from dirty business, the entrepreneurial university is the place where people innovate on the educational and research level in order to exist and develop. Evolution of higher education traditionally elitist to a mass higher education is a reflection of the new technological developments, democratic values, the needs of the new knowledge-based society. Coming from different academic and national traditions, the university appears to be arriving at a common entrepreneurial format in the late 20th century. Approaching the evolutionary problems of universities from the perspective of the field of entrepreneurship may provide insight that is extremely valuable to understanding and developing the processes required for meeting the overall challenge to innovate faced by universities. The challenge addressed in this context universities and colleges is to find

alternative sources of funding, primarily from the private sector to provide funds to higher education institutions have freely according to your requirement. It is about the direction of transformation Burton R. Clark mentions referring to how universities adapt to market requirements, namely the existence of a diversified funding base [7].

III. HIGHER EDUCATION INSTITUTIONS IN POST COMMUNIST COUNTRIES – A CASE OF CROATIA

Higher education institutions in Croatia are universities, polytechnics and schools of professional higher education with all its constituents. University constituents are: faculties, art academies, departments, institutes, foundations, associations, student centers, health care institutions, libraries, and technological centers. There are currently around 130 higher education institutions in the Republic of Croatia which can be found in the Overview of Institutions in the Higher Education System: 7 universities, 13 public polytechnics, 3 public schools of professional higher education, 3 private polytechnics, and 25 private schools of professional higher education [8].

Opening of the system of higher education and the society in whole toward the private sector and new educational initiatives which derive from it are relatively newer occurrences in the Croatian social environment. The increase in the number of newly established higher education institutions was noted in the recent years, since 1990's: 30 higher education institutions, mainly colleges, and a large number of polytechnics, were established in line with strategic orientation of the Republic of Croatia towards polycentric development of higher education. First private universities were also founded during that period. It is very important to add that in this period, Croatian Education entered the Bologna Process [9].

According to the above mentioned number of private HEI's, we have to add that the largest private HEI's in Croatia are business, entrepreneurship oriented and that their financing is dependent of tuition fees and private financing sources.

Also, there has to be added that only one private HEI in Croatia – Zagreb School of Economics and Management is worldwide recognized through international accreditation (also the only one in Croatia overall) of The Associate to Advance Collegiate Schools of Business(AACSB), the prime international accreditation agency for business schools.

The role of accreditation is to improve the quality of education globally. The more players are brought to the table and the more institutions that achieve accreditation, the better all institutions can reach that goal of improving business higher education around the globe. AACSB's accreditation process is a voluntary, non-governmental review of educational institutions and their business programs. Institutional accreditation review processes apply to the entire college or university. As a specialized accrediting agency, AACSB International grants accreditation to undergraduate and graduate business administration and accounting programs. The result of the rigorous AACSB accreditation

processes is an assurance that an AACSB accredited school adheres to the highest standards of excellence in business education. This assurance of quality provided by AACSB accreditation symbolizes to key internal and external constituents such as faculty, students, and employers that the school has achieved the highest standard by demonstrating their ability to: manage resources to achieve a vibrant and relevant mission; advance management knowledge through faculty scholarship; provide quality teaching and current curricula; cultivate meaningful interaction between students and a qualified faculty; produce graduates who have achieved specified learning goals; and to make a statement to external communities about its commitment to quality and continuous improvement. AACSB International thus offers business schools the opportunity to gain an international stamp of approval as well as a mechanism to benchmark their performance against peer institutions. Worldwide, just 15% of business schools are currently accredited [10]. All above mentioned standards that have to be achieved are by large part depending on HEI financial situation and ability to cover all required costs for improving its work.

When talking about Croatian higher education overall and its connection with Croatian economy, we have to have in mind that between 2000 and 2007, Croatia's economic fortunes began to improve slowly with moderate but steady GDP growth between 4% and 6% led by a rebound in tourism and credit-driven consumer spending. Difficult problems still remain, including a stubbornly high unemployment rate, a growing trade deficit, uneven regional development, and a challenging investment climate, all influencing the educational sector, especially the private ones [11].

Even though there are substantial economic changes, from the private HEI aspect we could say that the only pressure that those institutions are facing with is the additional program financing gap. Number of enrolments is rising. According to the data published by Croatian Bureau Of Statistics on Students enrolled in professional and university study in Croatia, in the winter semester of the 2011/2012 academic year, the total of 152 857 students enrolled in institutions of higher education, which was by 2.8% more than in the 2010/2011 academic year. Out of the total number of students enrolled in institutions of higher education in the Republic of Croatia, 76.6% enrolled in faculties, 15.9% in polytechnics, 6.2% in schools of professional higher education and 1.3% in art academies [12].

Funding of private universities does not give complete available information, but funding of public universities in Croatia as a post-communist country can be easily explained. Analysis provided by IRO, financing of public HEI in Croatia is based on tradition – part of a governmental budget is being diversified for HEI needs. In this kind of system HEI's in Croatia cannot expand their entrepreneurial activities neither influence the budget allocation [13]. Several changes in budget allocation has been changed since 2003 when Ministry of Science, Education and Sports transferred to HEI's funding as

a whole sum, and then universities are fully autonomous in internal allocation of funds [13]. This was the first step in order to improve entrepreneurial activities of HEI's but even though, the final allocation of funds is still not properly allocated.

According to Hunjak (2008.), when analyzing the financing of universities are involved also their own revenues; the result is favorable picture of their financial position. The annual financial statements show that universities and colleges generally operate without losses and many of them have significant financial assets. However, no final conclusions on secured funds to implement the core business of HEI's in Croatia should be drawn based on this information. The current situation in the system is not a consequence of a conscious implementation of the action plan, which should ensure the achievement of the strategic objectives; it is simply a result of the conditions of adjustment under which HEI's operate and the opportunities to compensate insufficient funds from budget with their own income, primarily tuition fees [14]. The present structure of financing public HEI's in Croatia is dominated by their own revenues and this fact represents the risk factor because the payment of tuition fees significantly affects the admission policies of individual HEI's and the development of their strategic decisions.

IV. TRANSFORMATION OF FINANCING STRATEGIES

In the present turbulent environment of globalization, more and more severe competition and developing economic crises, it is essential to search for new sources of the economic and social growth and development. To be successful in this, we can use the strong potential of universities. However, universities in the former socialist countries play only a marginal role, and it is necessary to make them accept certain changes [15]. This is the point from where starts the concept of entrepreneurial HEI's in post communist countries. Besides from creating innovative and sustainable curricula, those universities are mostly excluded from local government finances. Reaching quality and effectiveness of both the research and education processes, they have to emphasize a multisource funding.

As the European Commissioner for Education, Training, Culture and Multilingualism, Ja'n Figel, stated: "Knowledge and innovation are the engines of sustainable growth in Europe today, and universities are crucial for achieving the goals". However, it soon became clear that major weaknesses existed in the performance of European higher education institutions. These weaknesses are easily explained by looking at some basic figures. While countries such as Australia, Canada, the USA and Korea invest, respectively, 1.5, 2.5 and 2.7 per cent of their GDP on higher education, the EU invests about 1.1 per cent of GDP. In the EU, private investment in higher education is regressive and has declined to below weighted OECD average, and is ten times smaller than that of the USA [16]. According to those figures, we could easily resume that European HEI's need changes, either in business running or in

strategy. Even though HEI's have to work hard to create an overall strategy, they have to produce both source and manage the entire process for from a large range of options within the market place - in order to obtain the most competitive finance available on their behalf.

The financing of higher education throughout the world has seen dramatic changes in the last decades of the 20th and the first decade of the 21st centuries. In the main, these changes in financing are responses to a worldwide phenomenon of higher educational costs tending to rise at rates considerably in excess of the corresponding rates of increase of available revenues, especially those revenues that are dependent on taxation. The consequence in most of the world has been a shortage of revenue to accommodate both the increasing costs of instruction and research as well as (and exacerbated by) the increasing revenue needs of rising enrolments [17]. The first step is for universities to master their cost structures and identify the real costs of their activities for both internal and external purposes. While calling for vital additional financial support from public authorities, who have a responsibility in the universities' long-term financial sustainability, universities also need to increase and diversify alternative sources of funding.

Financing higher education is large and rather complex issue. It is very complex in part because of its multiple sources of income or funding, while on the other hand, has a product that is itself variously funded by third parties (credits, loans, cash payments, scholarships). Furthermore, a form of financing varies by type of institution (university, four-year undergraduate study, or a one-year graduate/postgraduate study, doctoral studies), according to the method of management (public or private institutions) and the country in which the institution is located. Within the private sector, there are different levels of expenditure and the forms of pricing that ultimately vary by institutional wealth, demographics, and general state of the country, as well as of the number of potential participants of the program and the state of competition [1].

Many negative events affecting the overall economy and higher education have occurred in the past several years. Financing became even more complex issue because even if you want to have a sustainable entrepreneurial HEI, you have to have a money machine that will provide all the needed funds for its development. One of the unexplored and unimplemented transformational financing strategies is also a fundraising. Institutions are turning to private giving to meet budgetary demands. When analyzing HEIs it should be taken into account that they are a special kind of an organization with its unique purpose which results in a certain differentiation between them and regular business organizations.

Traditional mode of funding is still strongly represented in continental Europe; it is increasingly being questioned on philosophical and financial grounds. In many nations, and especially in Asia and Latin America, education is viewed as

largely a private rather than a public benefit, and funding is being adjusted accordingly. Whatever the real merits of this debate, it is clear that it serves the purpose of governments to reduce education funding since they are facing intense competition for societal financial resources. Consequently, direct grants for education are being reduced and students are increasingly responsible for funding their own education [18].

V. TRANSFORMATION OF FINANCING STRATEGIES

Financial stability, that is achieving and maintaining stability of the financial system of higher education, is one of the main goals of most higher education institutions around the world, even when that goal is not specifically prescribed by statute or regulations that regulate the activity of the institutions [1].

When talking about entrepreneurial higher education institutions, we could talk about them as a separate business units, not dependent on governmental.

During recession and after it, a majority of companies as well as higher education institutions experience financial difficulties, and one of the possibilities of managing those lies in the restructuring business units. Due to impact of inconsistent economical environment and processes of globalization life cycle of business units has shrunken and business has become more dynamic, which has encouraged processes of restructuring those same business units. Motives of restructuring vary significantly; still the target is one – increase of business unit's market value and raise of efficiency in a result of implementing business unit restructuring program. Restructuring is a composite of numerous interrelated activities – from diagnostics to restructuring organizational structures and business processes based on modern management approaches [19].

During the process of enacting successful financial strategy the following targets are gained by restructuring the company: increase of company's equity value as an obligatory condition to increase the competitiveness, and company's financial position is improving due to strengthening of its solvency, liquidity, financial stability and profitability [19].

Financial stability is characterized by the smooth functioning of all segments of the financial system (institutions, markets, and infrastructure) in the process of resource allocation, risk assessment and management and execution of payments, as well as the resilience of institutions to respond to sudden shocks [20].

Considering that this paper is about the private higher education institutions, their financial stability is defined as the financial stability of companies with regard to working with organizations that receive funds for their account by individuals through scholarships. In general, private institutions of higher education are non-profit institutions. This term is often equated with the notion of "unprofitable". Specifically, the term "nonprofit" shows that profit does not exist or is not realized, or, ultimately, that is not the goal of

business or business activities, while the concept of "unprofitable" shows that there is no possibility of making a profit. Since that in the most non-profit organization there is a possibility of generating a revenues/profit, it is correct to talk about non-profit, rather than unprofitable institutions.

It is important to point out that the non-profit organizations are not set nor act with the purpose of making a profit. Earnings however in their operations may occur, but only as a secondary objective, because primary goal is completely different type of social benefit. Precisely, because a secondary goal is collecting funds, it is important to maintain the financial stability of the institutions of higher education [21].

HEI fundraising may also refer to the traditional sources of financing and on derivative financial instruments, or some more modern sources of financing. Under the traditional sources of financing we could include the financing of capital by the founder or co-finance the loan through a syndicated bank loan if it comes to increasing the amount necessary for the development of the institution. With the loan, lenders in many cases require, especially in the start up or green field investment, participation of the founders of the optimal gearing ratio and other provisions that protect lenders or suppliers of capital. The current spread on loans, necessary for the development of the institutions, of 20 years to maturity are going about 400 bps for the Croatian risk. In addition to the institutions risk premium, in that the structure of financing, the lenders must agree on repayment of principal, which takes into account the projected income of the institution, which is certainly less in the initial development cycle, and most of the institutions principal last year maturity. Financing through the issuance of shares is not possible because the HEI cannot be treated as stock companies because of the status of non-profit institutions, according to Croatian law. After a certain number of years in business and proof of creditworthiness, of course after a period of investment in property development, HEI management may also consider the more modern sources of financing such as issuing bonds. By this type of refinancing, the institution can achieve a longer maturity, larger amounts of financing, fixed rate, which would reduce interest rate risk and the possibility of repayment by equal annuities, bullet repayment at maturity, with no coupon payments as well as variable annuities, which are progressively enlarged and follow the rhythm of income. In Croatia, for this method of HEI financing, no real practice exists, and such funding requests more protective clauses, rating agencies and additional collateral for the bond holders. Financing through bonds, options, stocks and other derivatives will certainly get a space by additional liberalization of capital markets and greater flexibility of the Croatian legislation, where will the HEI be considered profitable as in most Western countries [1].

Enactment of strategically significant decisions is at first related to attracting monetary resources, respectively, to the quality of financial management in a company. The main component of financial management on the other hand is financial strategy, which includes establishment of sustainable

system of financial activity's targets and indicators, as well as determining priority tasks for present perspective. In general financial strategy is defined as business policy in the matter of main directions of financial development. Company's financial strategy is developed with consideration of different fixed conditions or their predictable development. Since they are not taken into consideration often, especially in long-term perspective, it is always possible that set targets and planned strategic result will not be accomplished. Financial strategy's potential deviation from the objective is considered as consequences emerging from financial risk [19].

VI. FUNDRAISING AS A TRANSFORMATIONAL FINANCING STRATEGY

The collapse of communism system in Eastern Europe has raised some new questions about the virtues of corporate capitalism and corporate social responsibility [22].

It is believed that the dominance of the American model of education is strong enough to influence the development of global education system. This shows that the American model of education is developed and stable. It should not be neglected the fact that most business schools in developing countries sent their faculty or students to exchange in leading business schools the United States [1].

Fundraising is a process of contributions in a form of money, cash or other sources applicable for financing, or finding and collecting contributions from individuals, companies, charity foundations, government agencies or other external sources for organizations or projects. Although, fundraising is mainly related to the efforts to raise money from the non-profit institutions, it is also used for the identification and collection of investors or other sources of capital for the profit of the enterprises itself [23].

Considering that the fundraising is mainly associated with sources of private donors, and fewer donations come from the business community, if funds raised through the fundraising could be as high as possible, there should be followed several criteria:

1. existence of the donor, preferably the richer, who was familiar with the programs and operations within HEI that will run a fundraising project, and also donors who have developed a culture of giving,
2. developed culture of philanthropy, which includes acceptance of the obligation to give back to institutions of higher education in which the alumni studied, and through which they believe to create real social value,
3. updated database of alumni, friends, school and business community,
4. tax and legal system that favors the fundraising (ideally - tax deductible in the amount of donated funds) [24].

The fundraising success within private and public HEI in post-communist countries must be taken with a special note that these societies are still in the process of developing their philanthropy, unlike the US society that is a very philanthropic conscious society that not only understands but also has the

ability to give back. Also, due to the fact that it US has a long development of a variety of fundraising programs, as well as a stable concept of private higher education, it is difficult to determine exactly what is the best practice that could be applied to the rest of the world when we take into account cultural and geographical differences.

Alumni of institutions of high education in U.S., by environmental effects, by institutions themselves, and by society, have become a community which gives back the community that gave them the most important - knowledge to achieve or have achieved everything they have: opened doors for the future, networking and knowledge [25]. These are all factors which, among other, are affecting philanthropy phenomena linked to American society. Since the discovery of the concept of successful fundraising is one of the main determinants of this paper, the focus will be on the fundraising of private institutions of higher education in the United States.

VII. FUNDRAISING STRATEGIES

Fundraising strategy is a plan that identifies the financial requirements of an organization or group so that it may conduct its work and carry out its objectives. The strategy should outline the actions, timescales and resources that will be implemented to enable the funding needs to be met. Fundraising strategy should be a working document that staff and the management team use to review and record past successes and future recommendations. It should clearly state organization's mission statement by explaining the purpose and justifying activities in relation to purpose. Generally, a fundraising strategy covers between a three- and five-year period and details the plans for the end of that time period. A fundraising strategy can also be developed for an individual project.

For example social media can be a useful tool for fundraising: Because on Facebook people invariably identify which universities they have attended, meaning it is almost an alternative alumni database. The challenge is finding out how to get these people to connect with you via Facebook – ads are a great way to start. The universities need to work out how best to communicate with them subsequently and get them to share their details, and how then to communicate fundraising message to them in a way that doesn't make them feel you have spammed them with a message they didn't want. LinkedIn is also valuable, but a much smaller proportion of LinkedIn users count more active than on Facebook. Also working with student union can increase understanding of alumni and fundraising: some universities is trying to focus a lot of attention on engaging with current students, via the students' union [26]. The alumni of a college or university are its best ambassadors. And better yet, they are volunteers. Although in some cases they are paid, since many of them participate in fundraising campaigns. Finally, event organization is a good way to mobilize the school or university community and strengthen the brand. There are plenty of opportunities:

announcing an important agreement, launching a new program, organizing a conference, gala, or forum for students and businesses, celebrating an anniversary, planning a graduation ceremony. The goal is to attract attention, preferably at regular intervals, to foster team spirit.

In both financial and non-financial terms, a professional approach to fundraising strategy is now key to a university's success. On the financial side, the money universities and colleges get through donations is an increasingly significant amount of its overall spending. This means universities and colleges need to manage and assess it as an income stream like any other. It should, for example, form part of the way universities and colleges normally assess risk. The work that institutions do to attract charitable support not only provides financial support to the institution. It also improves relations with alumni and encourages other donors to recognize the value of institutional goals. Such relationships are increasingly long-term. To do this successfully requires a considered, strategic and sustainable approach. This means the institution should look to embed a culture of philanthropy, and make progress over a period of time [27].

There are currently several already developed fundraising strategies that could be used for fundraising at HEI:

A. *Benevon model*

First successful fundraising strategy refers to the Benevon Model. Benevon Model is a mission-centered, four-step, circular process for rising sustainable funding from individual donors and is particularly focused to the organizational or institutional mission. It is based on building relationships with donors who remain long-term loyalty to the organization which they decided to financially support. It is also highly structured fundraising system used in many non-profit organizations across the United States. Model was developed in 1998 by Terry Axelrod. This model focuses on donors who have actually been part of the organization and systematic expansion of the very base of donors. Also, the model does not exclude targeting the biggest donors. As the whole system, this model is covering the gap between the traditional model of fundraising strategies and fundraising large donations. Benevon Model is conducted of four main parts of process. First part is the point of entry where potential donors get on the cycle by attending a succinct, one-hour introductory event that educates and inspires potential donors with the facts and emotional appeal of the organization's work. Second part is follow up and involve where potential donors from a first part receive a personal Follow-Up Call to solicit their feedback, so institution could see if they would like to become involved in any way, and ask if they know anyone else they'd like to invite to one of your future Point of Entry Events. Those who are interested in learning more about your organization are involved and cultivated personally in whatever way they prefer. Third part of this model is asking for money where after a period of personalized cultivation based on each person's impact area of greatest interest, many of Point of

Entry guests will be ready to be asked for money. The final, fourth, part of this model refers to the step where donors are re-connected to the mission of organization at program-related Free Feel-Good Cultivation Events, and are encouraged to introduce others to your organization by becoming Ambassadors and inviting them to your Point of Entry Events [1].

B. Donor centered fundraising

The second successful fundraising strategy is Donor Centered Fundraising. Donor Centered Fundraising, as a fundraising strategy, focuses on personalizing institutional appeals and proposals to each individual donor. This strategy model was created in 200 by Penelope Burk, president of Cygnus Applied Research. It suggests that each time an institution enters the fundraising project; it has to include important interpersonal factors that donors will give the impression that they are really important. Also, it should randomly select group of donors who will be specially treated. Also, management members should contact those donors in gratitude for the donation and no later than 24 hours of receiving donations. Through telephone conversations in sign of gratitude they only build a good business relationship, not looking for new donations. This strategy model puts the need for obtaining relevant information for donors at the top of the agenda, encouraging communication with occasional recognition that is designed to reflect the unique aspects of mutual appreciation. Also, according to this strategy model, there are clear factors why donors cease to be associated with an organization/ institution: 46% of donors had no communication with the institution to which they donated funds, they think that the organization/ institution is in compliance with its mission, they do not agree with changing the direction of investment of their funds, they lost interest in the topic of fundraising projects, think that the institution / organization no longer needs their support and they think that their role simply no longer makes sense [1].

C. Moves management strategy

Third successful fundraising strategy is Moves Management strategy. Moves Management is the process of managing donor relationships. As David Dunlop, creator of the system described it "The moves concept focuses major gift fund raising on changing people's attitudes so they want to give. To do this, we take a series of initiatives or moves to develop each prospect's awareness of, knowledge of, interest in, involvement with, and commitment to the institution and its mission." Moves Management involves planning, over the course of the year, the strategies institution will employ to further a relationship with a donor and to, hopefully, reach the desired goal. With a comprehensive moves management system, "moves" are the planned, regular, documented steps takes an organization to draw donors closer to organization [1].

VIII. CONCLUSION

As previously mentioned, fundraising is unimplemented strategy of financing in higher education in post-communist countries primary because of the lack of philanthropy, but also lack of information on fundraising possibilities and inexistence of knowledge on this topic. The most of public HEI's in Croatia, as an example of modern post-communist country, are not developing in order to become an entrepreneurial HEI, not observing the powerful possibilities of this developing program. Private HEI's have the possibility to allocate their funds to create the best basis for developing entrepreneurial side and to provide what is the best of modern education. In Croatia, actually, we do not see any wider possibilities of implementing fundraising strategies to create sustainable public entrepreneurial HEI, but private HEI sector is the one who has the opportunity to evolve in this direction.

As the private education sector evolves, the challenges to effective fundraising become greater. This means that it is more important than ever for universities and colleges to recognize and apply best practice in this area. There is potential for philanthropic significant income with an alumni participation rate and involving shareholders. To achieve this potential, conditions must be met for continuing investment, workforce development and the embedding of good practice. Also, as alumni community is very important part of each HEI fundraising potential, there has to be a significant change in strategically aligned alumni relations.

Countries change their historical way of financing higher education. Modern strategies influence modern education. American model of financing is influencing post-communist system of financing HEI's in order to develop entrepreneurial HEI's. Market of education is developing and diversifying. Real and potential philanthropy changes higher education. And higher education changes the world. There is no stronger case for support.

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