

# Chapter XIV

## Cooperation Between Universities and ICT Enterprises

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### ABSTRACT

*This study presents the regional development of universities aiming to increase their external impact on their environment. The purpose is to show that the activities of regional development and quality assurance at universities are important means of promoting the development of ICT in the region. Regional development is analysed in this study using the approach of quality assurance, which provides a general framework to analyse the cooperation between universities and enterprises operating in information and communication technology. The approach provides practical concepts, examples, and tools for universities to increase their external impact on their respective regions. The analysis of regional development strengthens the ability of the university to design its external engagement in its activities, report on the result achieved and prepare itself for external evaluations. The study contributes to the knowledge and practice of regional development in higher education and presents how educational institutions can support their regional engagement and incorporate the regional development in its activities. Regional cooperation between a higher education institution and ICT enterprises is illustrated with examples. Conclusions and recommendations are drawn based on the findings.*

### INTRODUCTION

Regional development and quality assurance emphasise different aspects of universities. These approaches have been developed independently

of each other, but they can be integrated in the action plans and everyday work of educational institutions. These approaches promote the high-quality interaction of the university with its environment. The promotion of the information

and communication technology (ICT) is especially important in the regions where the ICT has potential to increase the economic growth, employment, and welfare.

The strategic plans of regional development describe the direction and scope of the region in the future. The strategic plans adapt the financial and human resources of an organisation to the changing environment, markets, and customers to meet the expectation of stakeholders (Johnson & Scholes, 2002; Steiss, 2003). Universities are moving from the traditional public orientation towards a market orientation, which emphasises the engagement and outreach in its environment (Kettunen, 2004a, b, 2006a, b). The management of universities has also moved in an entrepreneurial direction (Kettunen & Kantola, 2006).

Quality assurance is a widely accepted holistic approach providing a framework for organisational development. Quality assurance is rather a philosophical approach to management than a technical quality standard. This interpretation of quality emphasises the autonomous role of universities. The development towards autonomy has increased the responsibility and accountability of the institutions. They have to report to their stakeholders on the external regional impact. Cooperation with enterprises using appropriate ICT has an increasing role in higher education.

The empirical part of this article describes the case of the Turku University of Applied Sciences (TUAS). ICT is one of the focal areas in the institution's overall strategic plan. The institution has a strategic theme of focusing its activities to meet the needs of the region. The institution also has a specific strategic plan for ICT. The strategic plans are implemented using the Balanced Scorecard approach and the management information system tailored to the institution (Kettunen & Kantola, 2005). The external impact of the institution is described in the societal and customer perspectives of the balanced scorecard. Measures with target values are annually set to promote the external impact.

The institution has cooperation with many outstanding global and local ICT enterprises. The article presents some typical cases of strategic alliances. The TUAS has a joint Education Support Centre with Microsoft Corporation. The institution also has close cooperation with the global Cisco Systems Inc. In addition, cooperation with the local enterprises such as GoodMood Ltd., MasterPlanet Ltd. and ICT Turku Ltd. is active. The TUAS built up a wireless local area network (WLAN) with the help of the local enterprises, the City of Turku and other universities.

The experience of this study shows that many ICT enterprises are willing to establish strategic alliances with educational institutions. Many of these enterprises have development projects related to education and recruit personnel among the graduates. The cooperating enterprises are in the front-line of technology transfer and are able to make offers of computers, software, and services at a reasonable price and make contracts for research projects with the institution.

This study is organised as follows: The study first introduces the main concepts used in this study and presents the quality assurance of universities in the context of regional development.

Then the contribution of the TUAS in regional development is presented. Thereafter the article describes empirical cases of cooperation between TUAS and ICT enterprises to promote economic growth, employment and welfare in the region. Finally, the results of the study are summarised and discussed in the concluding section.

## **BACKGROUND**

### **Concepts of Regional Development**

Higher education institutions (HEI) include traditional universities and universities of applied sciences or polytechnics. The traditional universities are science-oriented institutions, whereas the universities of applied sciences are new universi-

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