

# SBIR Warm-up: How Does the Program Work?

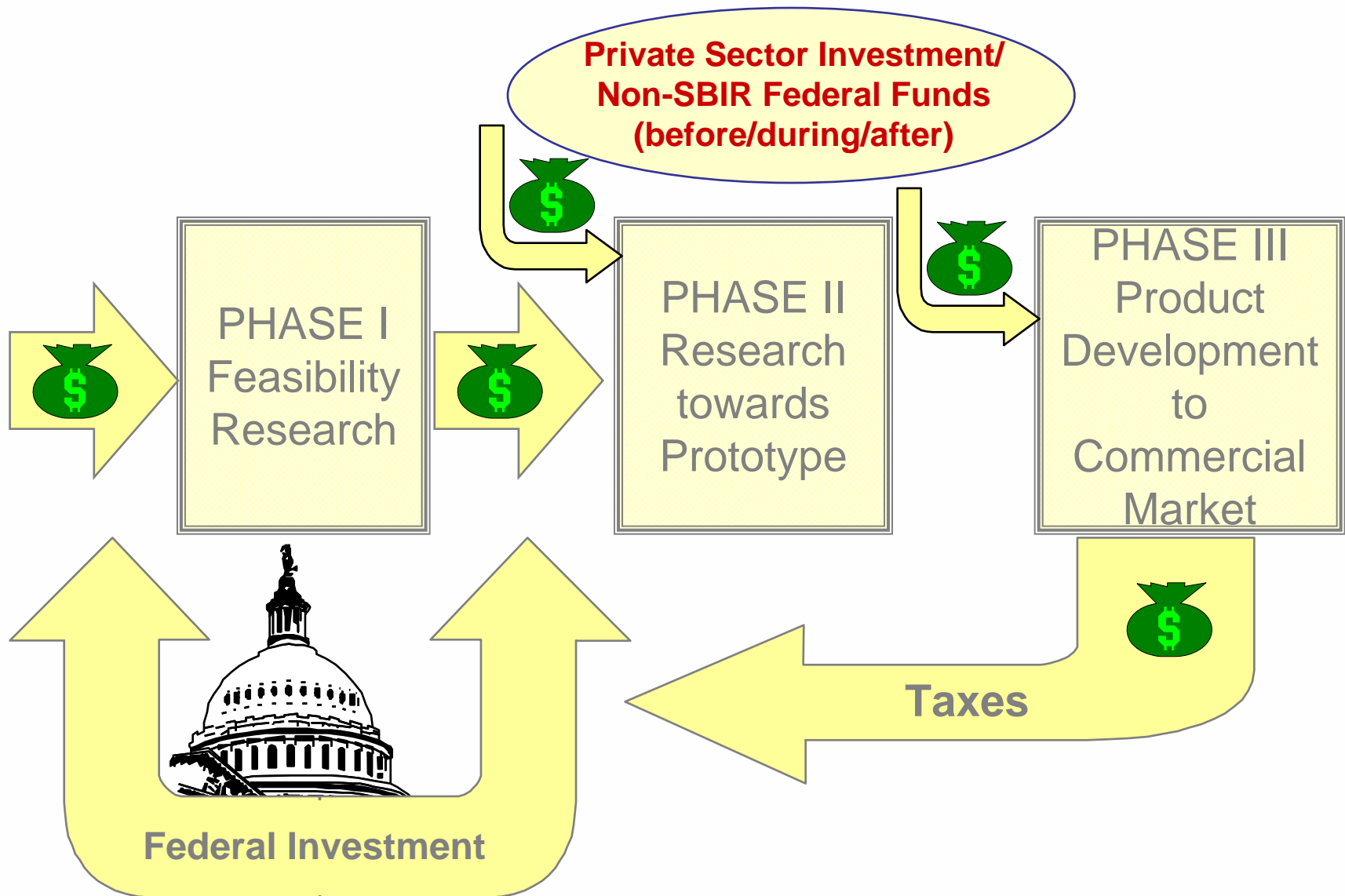
# SBIR funding is accessible to a wide range of innovators

- Small US-citizen owned company or start-up with new IP
- Researcher with an applied technology but no funding to create a prototype
- Inventor with concept funded out of your own pocket

# Grants are an overlooked source of early stage funding

- Federal SBIR/STTR grants to build and test innovative new products
- State NYSERDA grants—energy-related
- State NYSTAR TTIP grants-for businesses commercializing university technology

# SBIR Innovation Model



The SBIR program provides small businesses the opportunity to propose innovative ideas that meet federal R&D needs

- **Small Business Innovation Research**
- Highly competitive
- Three-phase award system
- The Government is your customer

The STTR program is SBIR's sister program, encouraging cooperative R&D between small businesses and research institutions

- Small Business Technology Transfer Program
- Works like SBIR, but a research partner is required

# Both SBIR and STTR allow you to test the feasibility of ideas with commercial potential

- Congress has mandated that agencies with significant external R&D budgets reserve a percentage for SBIR and STTR
- SBIR permits research institution partners
- STTR requires research institution partners

# SBIR provides funding for high-risk R&D and enables you to prove your concept

- First level of investment
- Verification of your innovative technology
- Peer-reviewed
- Approximately **1 in 10** are funded for Phase I
- Reduces technological risk for investors (angels/VCs will NOT fund R&D)

# SBIR builds value in your business for the owners of your business

- Not dilutive like equity investment
- No future debt accrued
- Inventor retains 100% intellectual property and commercialization rights
- Licensing and royalties=future revenue streams

# Funding for SBIR projects differ by agency and solicitation

- Phase I---from \$70,000 for proof of concept
- Phase II---\$750K- \$1.5 million to build
- Phase III---commercialization opportunities with agencies and private firms

# SBIR and STTR fund direct project work in several areas

- Exploitation of scientific breakthroughs
- Innovative use of emerging technologies
- New application or major improvements to *existing technologies*
- **NEW** --bring work from NIST's labs into the marketplace as a product

# 11 agencies host SBIR programs, and 6 host STTR programs

- Agriculture
- Commerce
- Defense - **also STTR**
- Education
- Energy - **also STTR**
- EPA
- Health and Human Services -
  - National Institutes of Health - **also STTR**
  - Health Care Financing Administration
- Homeland Security- **also STTR**
- Transportation
- National Aeronautics and Space Administration - **also STTR**
- National Science Foundation - **also STTR**

# To be eligible for SBIR/STTR, companies must be US-owned and independently operated

- For-profit firm with fewer than 500 employees
- Not dominant in the proposed field of operation
- PI employed by the business over 50% time
  - For SBIR; STTR depends on the agency
- Research direction must be controlled by the SBIR grantee

To apply, the first step is to identify all topics that relate to your company's R&D interests

**[www.zyn.com](http://www.zyn.com)**

**[www.sbir.gov](http://www.sbir.gov)**

- Links to SBIR information resources
- SBIR/STTR solicitation schedules

# The second step is to review solicitation information for the opportunities you have selected

- Pre-solicitation announcements
- Guidelines
  - Requirements - technical and personnel
  - Award amounts
  - Application and submission details
- Research funded in the past
- Sample or model proposals

# The third step is to contact each agency to learn why the agency is funding your topic

- Treat each agency as you would treat any customer
- Technical questions allowed before release date
- Only administrative questions after release date
- DOD has a pre-release period
- HHS and Agriculture not concerned about release date restrictions

# Tactical strategies are necessary to be competitive – you will need a plan to win

- Have a clear vision of the customer
- Leverage federal and state resources
- Leverage relationships with outside organizations
- Consider the use of experts
- Leverage personal resources
- Ask for letters from potential customers

# You must be prepared to sell the value of your idea

- An investor is an investor
- Evaluate how you fit the funder's needs
- Understand the funder's motives and values
- Be able to articulate how your approach is different from competing technologies

# The proposal will require more than ‘filling out a form’—write for your reader!

- Proposal quality is key
- The text should be engaging and easy to read, but avoid marketing-speak
- Don’t make the reader dig for information; highlight key issues
- Use pictures, tables and figures

# ITAC SBIR specialists can lead you through the SBIR/STTR maze

## **We *can*:**

- Help you find the right opportunity
- Match you with a research lab partner
- Match you with a small business
- Advise you on proposal strategy
- Read your proposal with comments

## **We *can't*:**

- Write the proposal *for* you

Thank you, and feel free to  
contact me with any questions or  
for a copy of this presentation

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