Developing the Business of Technology
Why SBIR/STTR?

Are You Walking Away from Free Money?
What is the SBIR/STTR Program?

A $2.5 Billion+ Federal Funding Program

- **SBIR**: Small Business Innovation Research
- **STTR**: Small Business Technology Transfer

**Intended to:**

- Stimulate **technological innovation**
- Strengthen the role of small business in meeting federal R&D needs
- Increase **commercial application** of federally-supported research
What is SBIR/STTR

Mandated by legislation

- SBIR - 11 agencies participating
- STTR - 5 of the 11 SBIR agencies participating
11 Participating Federal Agencies

<table>
<thead>
<tr>
<th>SBIR/STTR</th>
<th>SBIR Only</th>
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<tbody>
<tr>
<td>DOD - $1.4 B</td>
<td>USDA - $20 M</td>
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<tr>
<td>HHS - $797 M</td>
<td>DHS - $18 M</td>
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<tr>
<td>DOE - $206 M</td>
<td>DOT - $8 M</td>
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<td>NSF - $180 M</td>
<td>DOC - $8 M</td>
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<td>NASA - $176 M</td>
<td>ED - $8 M</td>
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<td>EPA - $4 M</td>
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TOTAL: ~$2.5B FY 2015
What Does SBIR/STTR Fund?

- **Product Development**
  - What are the product’s applications?

- **Based on Technological Innovation**
  - Is it revolutionary or evolutionary?

- **Credible Commercialization Strategy**
  - Is the market identified? Competition analyzed?
Why SBIR/STTR?

- Debt
- Equity
- Non-Dilutive
The 3 Phases of SBIR

3 Years, ~$1,150,000+

Phase I: 6 Months, $150K

Phase II: 2 Years, ~$1,000 K+

Phase III: Commercialization (no federal SBIR/STTR $$)
SBIR vs. STTR

- SBIR **allows** but does not require the involvement of a non-profit research institution
- STTR **requires** the involvement of a non-profit research institution

The Applicant Organization is always the Small Business!
Grants vs. Contracts

**Grants – Investigator Initiated Topics**
- HHS (95% $$), NSF, USDA, DOE, ED
- Open communications with Program Officer
- External peer review

**Contracts – Agency-specified topics**
- DoD, NASA, DHS, EPA, DOT, DOC, ED, HHS (5% $$)
- Limited communications with Program Officer
- Internal review
Eligibility

**Small business**

- US owned/controlled
- < 500 employees
- For-profit
- Located in the U.S.
- At least 51% owned by U.S. citizens and/or permanent resident aliens
- R&D performed in the U.S.
- Company-controlled research space
Facilities

Research must be conducted in:
- Company controlled research space
- Suitable to do the proposed work
Size Regulations

Ownership and Control
>50% owned and controlled by:

i. **US citizens, permanent resident aliens** and/or one or more **domestic business concerns** which themselves are >50% owned and controlled by U.S. citizens or permanent resident aliens

………………..or……………………

ii. **Multiple** domestic VCOCs, HFs, or PEFs, provided that no single such investor owns more than 50%
*(SBIR ONLY)*
SBIR.gov

Links to all 11 agencies
Search past awards
Current/past solicitations
# SBIR/STTR Deadlines

## Solicitation Dates

### Open Solicitations

<table>
<thead>
<tr>
<th>Agency/Program</th>
<th>Release</th>
<th>Open</th>
<th>Close</th>
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</thead>
<tbody>
<tr>
<td><strong>HHS Omnibus</strong></td>
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<tr>
<td>Clinical Trials not allowed:</td>
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<tr>
<td>PA-18-574 PHS 2018-02 SBIR-NIH, CDC &amp; FDA</td>
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<td>5-Apr ’18</td>
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<td>PA-18-575 PHS 2018-02 STTR-NIH</td>
<td>16-Jan ’18</td>
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<td><strong>Dept. of Defense</strong></td>
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<td><strong>Nat’l Science Foundation</strong></td>
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<tr>
<td>SBIR 18-550 STTR 18-551</td>
<td>14-Mar ’18</td>
<td>14-Mar ’18</td>
<td>14-Jun ’18</td>
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Open = Earliest Submission Date  Close = Final Submission Date

*Updated 4.20.17*

[www.bbcetc.com](http://www.bbcetc.com)
MI SBIR/STTR Assistance Program

SBIR/STTR training and proposal development services for MI technology companies

- **Goals**
  - Increase the number and quality of applications from Michigan

- **Program Components**
  - Training
  - One-on-one Proposal Assistance
  - Outreach

- **Fees**
  - One-time $500 fee includes training, materials and one-on-one assistance

Learn more: http://bit.ly/VFMZcl
SBIR/STTR Matching in Michigan

www.mietf.org
- Match up to $25K for Phase I, $125K Phase II
- Requires third party match
- MUST APPLY PRIOR TO SBIR SUBMISSION

nextenergy.org/match/
Matching funds to eligible Michigan businesses and universities applying for advanced energy-related federal funding.
BBCetc’s

Top 10 Tips for SBIR/STTR Success

Winner
Tend to the basics early

Take care of the registrations required by the agency to which you're applying. Starting too late or not paying attention to the details can have consequences...

The result? Failure to submit!

If at first you don't succeed...

Try doing what your coach told you to do the first time.
Planning a proposal 3-4 months in advance is a good idea. Skimping on development time will come back to haunt you!
3. READ, READ, AND READ SOME MORE

Before doing anything, be sure to go over the solicitation with a fine comb. Starting at the source can answer your questions and solve mysteries!
The solicitation includes rules for page limits, margins, font sizes, headings, etc. They are *not* suggestions! Play by the rules or risk rejection without consideration.
Successful companies know they can’t be all things to all people. Decide what you must prove, how you'll do it and whose help you'll need, and then go for the **gusto**!

When you are hunting elephants, don’t get distracted chasing rabbits.

T. Boone Pickens
6. **Talk to strangers**

The risk of developing the wrong product or proposal is high if you don't get input. Ask agency personnel and/or prospective customers in your target market what they think of your idea. Assume nothing!
7. **Know the Budgeting Facts of Life**

Make sure your budget supports the work proposed. Veteran reviewers can sniff out an inappropriate budget, so…

*Keep it real, keep it accurate* and *keep it honest.*

**Don’t Sugar Coat It**
8.

DON’T COME LATE TO THE PARTY

Electronic submission sounds simple. *Don't believe it!* Proposals are often submitted with errors, and it can take time to get them corrected before the deadline. Give yourself breathing room.

Don’t be this guy!
Find organizations, consultants or advisers that offer you unique and complementary expertise. Add them to your team and challenge them to challenge you to view what you’re doing from a new perspective.
10.

**KEEP AT IT!**

Following these tips will improve both your proposals and likelihood of funding,

**BUT REMEMBER:** few applicants are funded the first time. If your proposal isn't funded, study the feedback, fully address the concerns and try again!
Working with BBC etc


- Complete and submit our online Assessment Form.
- We’ll set up a call to chat about your project, your SBIR/STTR eligibility and next steps.
This program is brought to you in part by the Michigan Economic Development Corporation

Learn More about Michigan’s entrepreneurial eco-system of coordinated programs, service providers, universities, funding sources and more.

- $25M focused on high-tech development annually
- 34 entrepreneurial support programs
- Federal grant matching funds, pre-seed funding, loan programs, venture funding match
- Targeted support for:
  - **Applied research** through first significant round of institutional funding
  - **Technology companies** with high growth potential

www.michiganbusiness.org