Heartland Security
2007 Conference & Exhibition
SBIR/STTR
Betsy Lulfs
Program Director
Know the Process
Know the People

Dr. Bill Coggin
## Participating Agencies

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Big Picture

Strategic Plan

Phase I Feasibility
- Resources
- Equipment
- Consultants
- Subcontractors
- Commercialization Partners

Phase II Prototype
- Resources
- Equipment
- Consultants
- Subcontractors
- Commercialization Partners

Phase III Commercialization
- Resources
- Equipment
- Commercialization Partners
- Partners

Resources
Equipment
Consultants
Subcontractors
Commercialization Partners
Grants vs. Contracts

**Grants**
- Broad topics
- Higher risk
- Funds good ideas
- You must determine what “good” is
- NIH, DOE, ED, USDA, NSF

**Contracts**
- Specific problem/need
- You must grasp & respond to that need
- Opportunity for sole source Phase III
- DOD, NASA, DOT, NIH, DOC, EPA, HSARPA
Agency Differences

- **Contracting**
  - Agency establishes plans, protocols, requirements
  - Highly focused topics
  - **Procurement** mechanism for DOD and NASA
  - More fiscal requirements

- **Granting**
  - Investigator initiates approach
  - You must determine what “good” is
  - Less-specified topics
  - **Assistance** mechanism
  - More flexibility

DOD  NIH  
NASA  ED  
EPA  DOT  
DOC  

NIH  NSF  DOE  
ED  USDA  

Minneapolis
Potential Participants

• Any stage of business development; pre-seed; early; existing; joint ventures; strategic alliances
• Scientists/Engineers/Researchers
• Academia
• Large Corporations
Questions to Ask Before Deciding to Participate

• Does winning enhance your corporate goals?
• Do you possess technical competence?
• Can you gain access to necessary resources?
• What agencies should you consider?
• What agency need/opportunity must you address?
• Do you have an innovative concept that is within the capabilities of your company & will guarantee profits and growth?
More Questions

• Where might you find Phase II matching funds? Phase III sources?
• What are the commercial applications? What’s your competitive advantage? How would you get it to market?
• Are there other places to submit a related proposal? Is this the best program to submit your proposal?
Filtering Mechanism for Potential Investors

- Proposals are technically reviewed by experts
- Commercialization plan is reviewed and ranked
- A company’s ability to conduct the project and deliver results are tested
- Skills of the management/technical team are evaluated
Important Points to Consider

• Producing a competitive proposal requires an investment of time and/or money
• A great idea is only the starting point
• The company must be willing to assess their firm’s strengths and weaknesses, and be able to shore up the weaknesses
• Credibility as a proposer is a key factor
Do Your Homework

• Contact the SBIR/STTR agency reps
• Search the web for your competition
• Thoroughly search the literature
  – Your own field of expertise
  – Alternative technical areas
  – Key application areas
  – Potential market opportunities
  – The patent situation
  – Your COMPETITION

Mark Henry TechBizSolutions, Inc.
Scheduling the Proposal Writing Preparation Process

• Right Way
  – Have corporate goals established to guide what proposals should be written
  – Contact agencies to determine compatibility of their SBIR/STTR program and your goals
  – Develop relationships with agencies
  – Establish relationships with potential subcontractors, strategic partners, commercialization partners
  – Monitor agency websites for delays, changes in topic lists, instructions, etc.
Scheduling the Proposal Writing Preparation Process

- What Usually Happens
  - Suddenly remembers, 15 days before due date that solicitation is open
  - Picks topics that looks like “fun”
  - Calls subs and/or university 10 days before due date to determine interest & get commitment letter
  - “Wing it,” since couldn’t talk to TPOC
  - Do all-nighter(s) to finish
  - Submit electronically 37 minutes before deadline and pray proposal will get thru
  - Learn 6 months later topic was withdrawn before proposal due date
Some Relevant Minnesota Statistics: *Equity Financing*

- The 30 Venture Funded firms in the State have been in receipt of 288 SBIR/STTR Awards

- Total SBIR-STTR Dollars to date = $92,136,964

- Total VC Funding received by these 30 firms: $228 Million

Created by Innovation Development Institute
U.S. Companies Receiving Early-Stage Financing

• Apple Computer
• Chiron
• Compaq
• Intel
• Symantec
Potential Benefits for Qualifying Small Businesses

- No repayment of funds
- Small businesses are increasingly recognized as a principal source of technological innovation
- Fosters partnerships (i.e. large corporations, academia)
- Stimulates local & state economies
Potential Benefits for Qualifying Small Businesses

• Provides seed money to fund high-risk R&D
• Provides recognition, verification & visibility
• Potential leveraging tool to attract investors & other sources
• IP rights are retained by the small business
Minnesota Distribution of SBIR-STTR Dollars by Agency 1983-present (June 2007)

- DOD: 43.70%
- NIH: 38.81%
- NASA: 6.86%
- NSF: 4.45%
- DOE: 2.46%
- DHS: 0.16%
- Smaller Agencies: 2%

Created by Innovation Development Institute
Think about the SBIR & STTR programs as the R&D budget to develop products that fit within the strategic mission of the small business.
The End

IS THIS ALL THERE IS??

positively Minnesota