SBA Office of Investment & Innovation
SBIR-STTR Presentation
Office of Investment and Innovation

- **Small Business Investment Company (SBIC) Program** delivers access to financial capital
  - $4 billion authorization per year
  - $23.78 billion of assets under management
  - 299 active SBICs

- **Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs**
  - Supports R&D and financing of cutting edge technologies
  - $2.5 billion annual set aside
  - ~145,000 awards granted
  - ~10 patents per day

- **Innovation** – Supports the American high growth entrepreneurial ecosystem
  - $4M Accelerator Program
  - Start-Up America
  - Demo Days
  - Crowdfunding
Mission of the SBIR/STTR Programs

To support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy...one small business at a time
Goals of the SBIR/STTR Program

- Meet *Federal research and development needs*
- Increase private-sector commercialization of innovation derived from Federal research and development funding
- Stimulate technological *innovation*
- Foster and encourage participation in innovation and entrepreneurship by *socially and economically disadvantaged persons*
SBIR was created by Roland Tibbetts at the National Science and signed as a Federal wide program in 1982 by Ronald Reagan

SBIR programs have awarded over $43 billion to research-intensive American small businesses

The 450,000 engineers and scientists involved are one of the largest STEM talent concentrations in the world

Key catalysts for thousands of small businesses
The Small Business Innovation Research (SBIR) Program

- A set aside program for small business to engage in Federal R&D with potential for commercialization.

- 3.0% of the extramural research budget for FY16 (FY15 ~2.2 Billion in summation) for all agencies with a budget greater than $100M per year. Growing to 3.2% by 2017.

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<tbody>
<tr>
<td>SBIR</td>
<td>2.5%</td>
<td>2.6%</td>
<td>2.7%</td>
<td>2.8%</td>
<td>2.9%</td>
<td>3.0%</td>
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Agencies that Participate in the SBIR program

- Department of Agriculture (USDA)
- Department of Commerce (DoC)
- Department of Defense (DoD)
- Department of Education (ED)
- Department of Energy (DOE)
- Department of Health and Human Services (HHS)
- Department of Homeland Security (DHS)
- Department of Transportation (DOT)
- Environmental Protection agency (EPA)
- National Aeronautics and Space Administration (NASA)
- National Science Foundation (NSF)
A sister set-aside program to facilitate cooperative R&D between small business concerns and U.S. research institutions – with potential for commercialization

- 0.45% of the extramural research budget (> $250 million) for all agencies with a budget greater than $1B per year.

<table>
<thead>
<tr>
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<th>SBIR</th>
<th>STTR</th>
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<tbody>
<tr>
<td>Phase 1 duration</td>
<td>~6 months</td>
<td>~12 months</td>
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<tr>
<td># participating agencies</td>
<td>11</td>
<td>5</td>
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<tr>
<td>Size Phase I award</td>
<td>~ $150,000</td>
<td>~ $150,000</td>
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<tr>
<td>% extramural R&amp;D budget [FY16]</td>
<td>3.00%</td>
<td>0.45%</td>
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<tr>
<td>IP allocation agreements required</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>RI or FFRDC participation required</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>PI employment</td>
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<td>Small business or RI</td>
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<td>Applicant</td>
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Small Business Technology Transfer (STTR) program
FY15 Combined SBIR/STTR budget

- **HHS**: 797.0 M
- **DOE**: 206.1 M
- **NSF**: 176.0 M
- **USDA**: 25.3 M
- **NASA**: 180.1 M
- **DOD**: 1.070 B
- **All Others**: 45.7 M

~ $2.5B in FY15 Across All Agencies
These Programs Make a Difference
SBIR/STTR Success Stories

- Qualcomm
- Symantec
- iRobot
- Genzyme
- Nimble Systems
- NanoMech
- Lift Labs
- Adaptec
- Ecovative Design
- Children’s Progress, Inc.
- JENTEK Sensors
- Squid
SBIR/STTR is a gated process - with three Phases

**Phase I**
Concept Development
6 months
~ $150,000

**Phase II**
Prototype Development
24 months
~$1,000,000

**Phase III**
Commercialization
No SBIR funding

Requires a solid team!
Eligibility Criteria

- Organized as for-profit U.S. business
- Small: 500 or fewer employees, including affiliates
- Work must be done in the U.S. (with few exceptions)
- Individual Ownership:
  - Greater than 50% U.S.- owned by individuals and independently operated OR
  - Greater than 50% owned and controlled by other business concern/s that is/are greater than 50% owned and controlled by one or more individuals OR
  - Be a concern which is more than 50% owned by multiple venture capital operating companies, hedge funds, private equity firms, or any combination of these.
Principal Investigator (PI)

- Must be employed by the SBC at **time of award**

- Principal Investigator (PI) is **not** required to have a Ph.D./M.D.

- The PI is required to have appropriate expertise to oversee project scientifically and technically

- Applications **may be** submitted to **different agencies** for similar work

- Awards may not be accepted from different agencies **for duplicative projects**
Application Process for SBIR/STTR

Solicitation GANTT Chart

Typical Application Process

1. Solicitation Topics
2. Proposal Submission
3. Evaluation
4. Phase I or II Award
# Required Registrations and Submissions

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<tr>
<th></th>
<th>NASA SBIR</th>
<th>HHS SBIR</th>
<th>NSF SBIR</th>
<th>DOE SBIR</th>
<th>DOD SBIR</th>
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FY 2015 Distribution of Total SBIR/STTR Budget

SBIR/STTR Budget by Agency, FY2015

- $2.5B in FY2015 across all agencies

<table>
<thead>
<tr>
<th>Agencies with SBIR and STTR Programs</th>
<th>Budget</th>
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</thead>
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<tr>
<td>Department of Defense (DOD)</td>
<td>$1.070 B</td>
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<td>Department of Health and Human Services (HHS) including the National Institutes of Health (NIH)</td>
<td>$797.0M</td>
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<tr>
<td>Department of Energy (DOE), including Advanced Research Projects Agency - Energy (ARPA-E)</td>
<td>$206.1M</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration (NASA)</td>
<td>$180.1M</td>
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<tr>
<td>National Science Foundation (NSF)</td>
<td>$176.0M</td>
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<thead>
<tr>
<th>Agencies with SBIR Programs</th>
<th>Budget</th>
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<td>U.S. Department of Agriculture (USDA)</td>
<td>$20.3M</td>
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<td>Department of Homeland Security (DHS): Science and Technology Directorate (S&amp;T) and Domestic Nuclear Detection Office (DND)</td>
<td>$17.7M</td>
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<td>Department of Commerce: National Oceanic and Atmospheric Administration (NOAA) and National Institute of Standards and Technology (NIST)</td>
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<td>Department of Education (ED)</td>
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<td>Environmental Protection Agency (EPA)</td>
<td>$4.2M</td>
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*NIH also issues contract; within DOC, NIST issues grants and NOAA issues contracts
Snapshot Across the US for the Past 4 Fiscal Years

Top total award dollars went primarily to 10 states:
CA, MA, VA, NY, MD, CO, PA, TX, OH and FL
Pertinent Resources for Stakeholders

- SBIR Website: www.sbir.gov

- Webinar Series by SBA & NCET2 on SBIR Program: http://center.ncet2.org/index.php?option=com_content&view=article&id=690&Itemid=87

- SBIR Road Tour Website: http://www.sbirroadtour.com/
New Resources for Stakeholders
Coming July 2016

Train the Trainer

Target Audience: PTACs, SBDCs, Accelerators – minimum knowledge of SBIR/STTR programs
New Resources for Stakeholders
Coming July 2016

- **Target Audience**
  - SBCs interested in learning more about SBIR/STTR [Primarily newbies]
    - FireFox, Chrome
  - Will be accessed from SBIR.gov
  - Open to everyone
  - Better prepare companies for meetings with Agency personnel
  - Tool for trainers
  - 10 Courses
  - Release: July 1, 2016
Course List

- Course 1: Program Basics
- Course 2: Finding Topics
- Course 3: Agency Introductions
- Course 4: Agency Solicitations
- Course 5: Registration Requirements
- Course 6: Proposal Preparation
- Course 7: Finding Partners
- Course 8 Accounting and Finance
- Course 9: SBIR Data Rights
- Course 10: CyberSecurity