

COURSE 6, TUTORIAL 6

**PHASE I
COMMERCIALIZATION
PLANS**



Earlier we discussed the importance of understanding proposal evaluation criteria before beginning to draft your response. Although each agency will have some criteria that are unique, we previously introduced three that are commonly considered important in evaluating all SBIR/STTR proposals: Innovation, Capabilities of the team, and Commercialization. As this is a dynamic arena, please be sure to always consult the most current solicitation or Funding Opportunity Announcement (FOA) from the agencies themselves. The accompanying table provides an overview of what we will discuss.

Comparison of Phase I SBIR Guidelines on Commercialization

	Section Name	Suggested Length
DoD	Commercialization Strategy	1 page
DOE	Commercialization Plan	2 pages
HHS	Mentioned in Field Name- Research Strategy	N/A
NSF	Commercial Opportunity	2-4 pages
NASA	Potential Post Application	Not mentioned



In this Tutorial we will quickly look at what each of the five largest agencies state that they would like to see regarding commercialization in a Phase I proposal. So let's start with a definition. Commercialization is defined in the SBIR and STTR Policy Directives and we have listed the definition here. Although it is brief, there's a lot to it!

DEPARTMENT OF DEFENSE (DOD)

We will briefly review what each of these agencies requests regarding commercialization in their solicitation – starting with the Department of Defense. The DoD provides an overview of solicitation guidelines for Phase I in a document referred to as the [DoD Instructions](#) or Preface. When working with DoD it's important to remember that each component that participates in a solicitation may have additional guidance for their component – so you will need to look not only at the DoD Instructions, but also at those provided by the Component. In this tutorial we will only point out what is mentioned in the general DoD Instructions. In reviewing this document you will find that the proposer is asked to include a section called Commercialization Strategy that is approximately 1 page in length in their Technical Proposal. The guidance to proposers is to:

“Describe... your company's strategy for commercializing this technology in DoD, other Federal Agencies, and/or private sector markets. Provide specific information on the market need the technology will address and the size of the market. Also include a schedule showing the quantitative commercialization results from this SBIR project that your company expects to achieve.”

DEPARTMENT OF ENERGY (DOE)

The Department of Energy requests a two page Commercialization Plan that is uploaded through Grants.gov in a specific section referred to as Other- Phase I Commercialization Plan in the DOE Funding Opportunity Announcement. The Department of Energy has been placing increased emphasis on commercialization in both Phase I and Phase II and states that “If the Commercialization Plan is not included at the time of application submission, your application will be administratively declined without review.” – so be sure to include it. DOE also provides a useful example of a responsive Phase I Commercialization Plan on their website.

DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)

The Department of Health and Human Services (HHS) places its emphasis on commercialization in Phase II and only requires a separate commercialization plan for Fast Track applicants who are submitting a combined Phase I/Phase II application.

“Commercialization is the process of developing products, processes, technologies, or services and the production and delivery (whether by the originating party or others) of the products, processes, technologies, or services for sale to or use by the Federal government or commercial markets.”

However, all Phase I applicants are asked in the Research Plan in the section designated by Field Name – Research Strategy, under the subheading of significance, to “Explain the importance of the problem or critical barrier to progress in the field that the proposed project addresses” and “to explain the project's potential to lead to a marketable product, process, or service.”

NATIONAL SCIENCE FOUNDATION (NSF)

The National Science Foundation asks that applicants discuss the Commercial Opportunity in the Project Description section, recommending that two to four pages are spent discussing items such as:

- » Is there a broader societal need you are trying to address with this commercial opportunity? Please describe.
- » Describe the market and addressable market for the innovation. Discuss the business economics and market drivers in the target industry.
- » How has the market opportunity been validated?
- » Describe your customers and your basic business model.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

The National Aeronautics and Space Administration refers to a Potential Post Application section which is to be submitted as part of the Technical Proposal. By the way, NASA refers to the adoption of a technology within NASA as “infusion”. The guidance to proposers indicates:

“The Phase I proposal shall (1) forecast the potential and targeted application(s) of the proposed innovation and associated products and services relative to NASA needs (infusion into NASA mission needs and projects), other Government agencies and commercial markets, (2) identify potential customers, and (3) provide an initial commercialization strategy that addresses key technical, market and business factors for the successful development, demonstration and utilization of the innovation and associated products and services. Commercialization encompasses the transition of technology into products and services for NASA mission programs, other Government agencies, and non-Government markets.”

As you can see the commercialization requirements are diverse. Therefore, make sure that once a solicitation is released, that you review the commercialization requirements so that you have time to prepare an appropriate response. Also keep in mind that in some cases, the section that deals with commercialization is part of the technical proposal as a whole, while in other cases, it is a separate attachment.