

The Small Business Innovation Research
(SBIR) and Small Business Technology
Transfer (STTR) Program

Program Overview



Mission of the SBIR/STTR Program

- To promote technological innovation and economic growth through the investment of Federal research funds in small US businesses.



Goals of the SBIR/STTR Program

- Stimulate technological **innovation** by small US businesses
- Strengthen the role of small businesses in meeting **Federal research and development needs**
- Increase private-sector **commercialization** of innovations derived from Federal research and development funding
- Foster and encourage participation in innovation and entrepreneurship by **socially and economically disadvantaged persons**

SBIR/STTR Program History

- The SBIR program started as a pilot program at the NSF in the late-1970's
- Three legislative acts have been passed that govern its existence and execution
 - The Small Business Innovation Development Act of 1982
 - The Small Business Research and Development Enhancement Act of 1992
 - The Small Business Innovation Research Program Reauthorization Act of 2000
- Currently, the SBIR program is operating on a continuing resolution

SBIR/STTR Program Descriptions

■ Small Business Innovation Research (SBIR)

- A set-aside program for small business to engage in Federal R&D – with potential for commercialization
- 2.5% of the extramural research budget for all agencies with a budget greater than \$100MM per year

■ Small Business Technology Transfer (STTR)

- A set-aside program to facilitate cooperative R&D between small business concerns and U.S. research institutions – with potential for commercialization.
- 0.3% of the extramural research budget for all agencies with a budget greater than \$1B per year

SBIR/STTR Program Basic Structure

■ Phase I

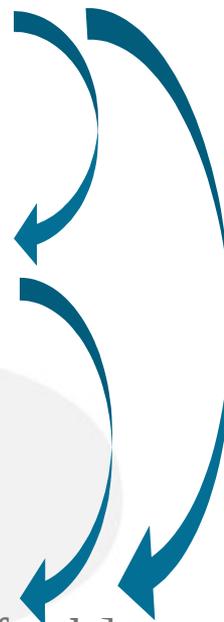
- Feasibility Study, Proof of Concept
- \$150k Max, for 6 Months

■ Phase II

- Full Research and Development Effort
- \$1 Mill Max, for 12 Months

■ Phase III

- Commercialization Stage
- Seek External Funding [No Use of SBIR funds]
 - Non-SBIR federal funding, OR
 - Private sources



Only Phase I winners may apply for a Phase II. Phase I and II awardees can move to Phase III.

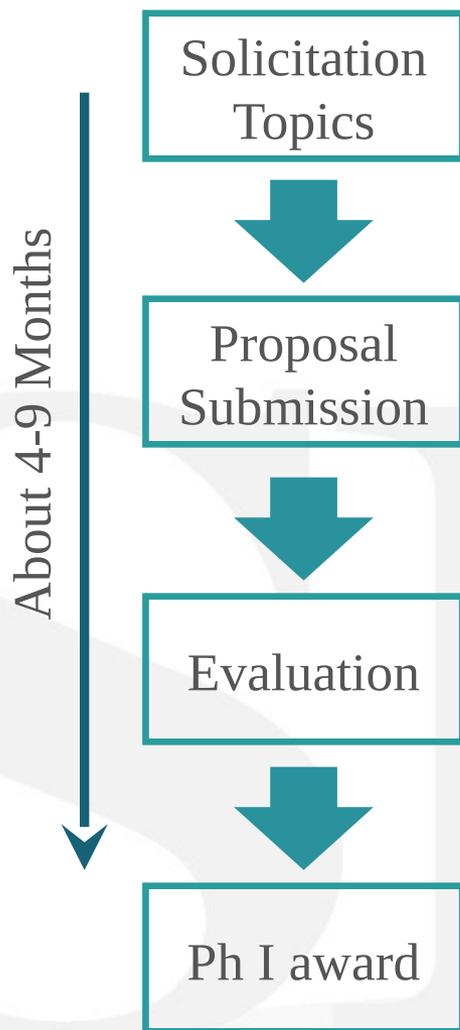
SBIR Program Eligibility Criteria

- ✓ Organized as a for-profit business based in the U.S.
- ✓ 500 employees or less, including affiliates
- ✓ PI's primary employment must be with the small business
- ✓ At least 51% U.S.- owned by individuals and independently operated; OR, at least 51% owned and controlled by another (one) for-profit business concern that is at least 51% owned and controlled by individuals

STTR Program Eligibility Criteria

- ✓ Organized as for-profit small business based in the U.S.
- ✓ Formal cooperative research and development effort
 - ✓ Minimum 40% by small business
 - ✓ Minimum 30% by U.S. research institution
- ✓ U.S. research institution
 - ✓ College or university
 - ✓ Other non-profit research organization
 - ✓ Federal research and development center
- ✓ Intellectual Property Agreement
 - ✓ Allocation of rights in intellectual property and rights to carry out
- ✓ Follow-on R&D and commercialization effort

Standard SBIR/STTR Phase I Process



- Agencies describe R&D topics in solicitations at fixed time periods over the year – not rolling.
- Small Business Concerns prepare short (usually 25-page) proposals.
- Unsolicited proposals are not accepted.
- Agencies evaluate based on technical merit, firm's qualifications, and commercial potential / societal benefit
- Agencies make Phase I awards.

Standard SBIR/STTR Phase I Process

Agency	SBIR	STTR
DOD	\$1.1B	\$140M
HHS	\$640M	\$75M
NASA	\$120M	\$15M
DOE	\$140M	\$15M
NSF	\$100M	\$20M
DHS	\$20M	
USDA	\$15M	
DOC	\$10M	
ED	\$10M	
EPA	\$5M	
DOT	\$5M	
TOTAL	\$2.15B	\$250M

These are rough estimates for the SBIR/STTR budgets for FY2009. In total, the program gives roughly \$2.5B/year to small business to perform research and development.

Program Differences Between Agencies

■ Solicitation Logistics

- Number of Solicitations – 2/3 per year with different windows of timing
- Topic Areas – broad to focused

■ Proposal Logistics

- Proposal Preparation Instructions – no unified application process
- Proposal Review Process – external peer review or internal review
- Proposal Success Rates – vary slightly between agencies

■ Award Logistics

- Type of Award – contract and grant
- Financial Details – indirect cost rates and
- Dollar Amount of Award – slight differences

Differences Between a Contract and Grant Award

Contracting Agencies

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

DOD, DHS, HHS/NIH, NASA, ED,
EPA, DOT, DOC

Granting Agencies

- Investigator initiates approach
 - Less-specified topics
 - Assistance mechanism
 - More flexibility

HHS/NIH, NSF, ED, USDA, DOE

Answers to Frequently Asked Questions

- Eligibility is determined at time of award – not application
- No appendices are allowed in Phase I
- The PI is not required to have a Ph.D. or M.D. – but is required to have expertise to oversee project scientifically and technically
- Applications may be submitted to different agencies for similar work – but awards may not be accepted for duplicative projects

SBA

Small Business Administration

