

positively

Department of Employment  
and Economic Development

*Minnesota*

Heartland Security  
2007 Conference & Exhibition  
SBIR/STTR

Betsy Lulfs  
Program Director

*Know the Process*  
*Know the People*

*Dr. Bill Coggin*

# Participating Agencies

## SBIR/STTR

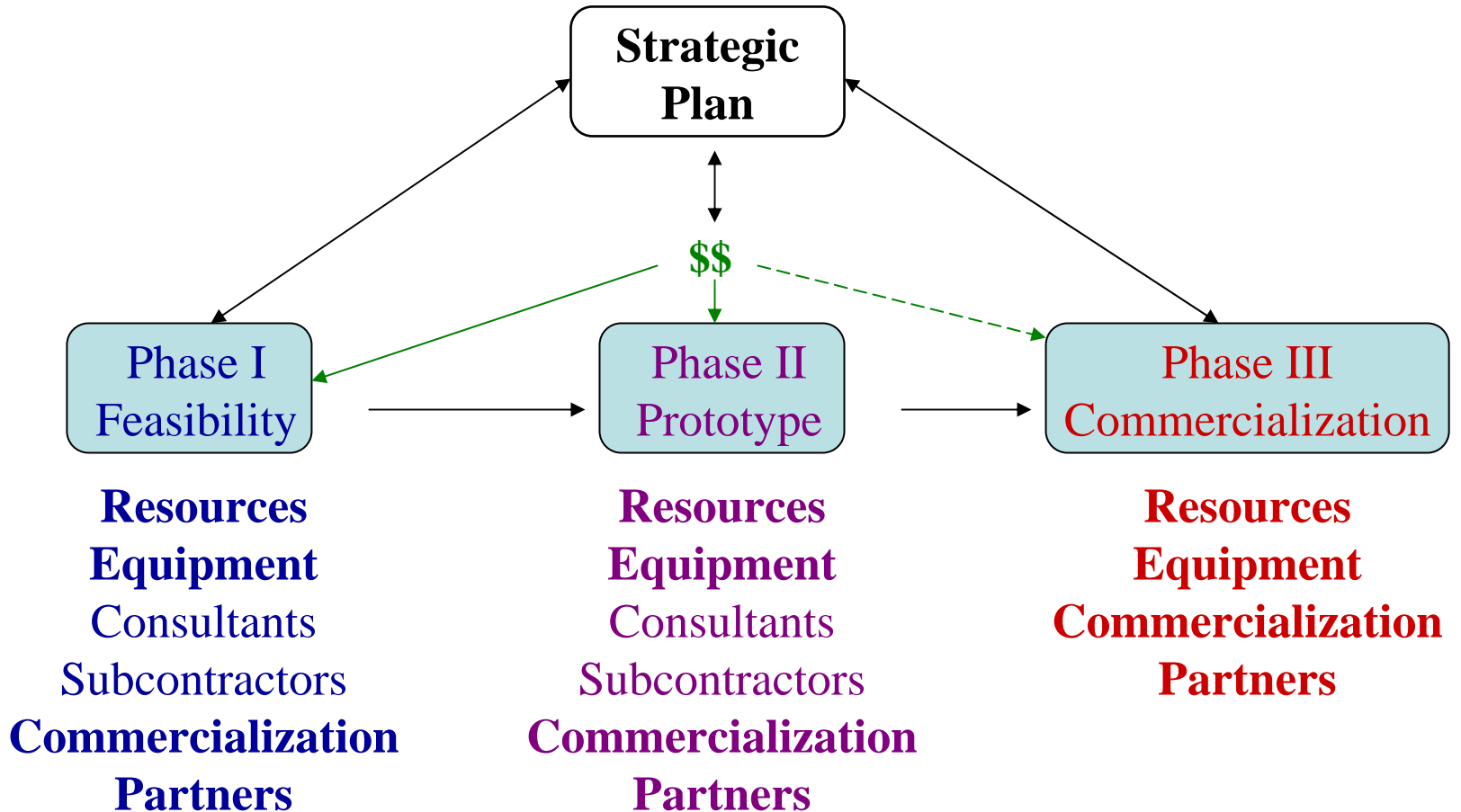
- DOD
- HHS
- NASA
- DOE
- NSF

## SBIR

- USDA
- DOC
- EPA
- DOT
- ED
- DHS

	DOD	NIH	NASA	NSF	DOE	DHS	EPA	DOT	DOC	ED	USDA
Jan		AIDS									
Feb											
Mar											
Apr		Omnibus									
May		AIDS									
Jun											
Jul	STTR										
Aug		Omnibus									
Sep		AIDS									
Oct											
Nov		Contracts									
Dec		Omnibus									

# Big Picture



# 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  
NASA  
EPA  
DOC

NIH  
ED  
DOT



NIH NSF DOE  
ED USDA

# 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



# U.S. Companies Receiving Early-Stage Financing

- Apple Computer
- Chiron
- Compaq
- Intel
- Symantec

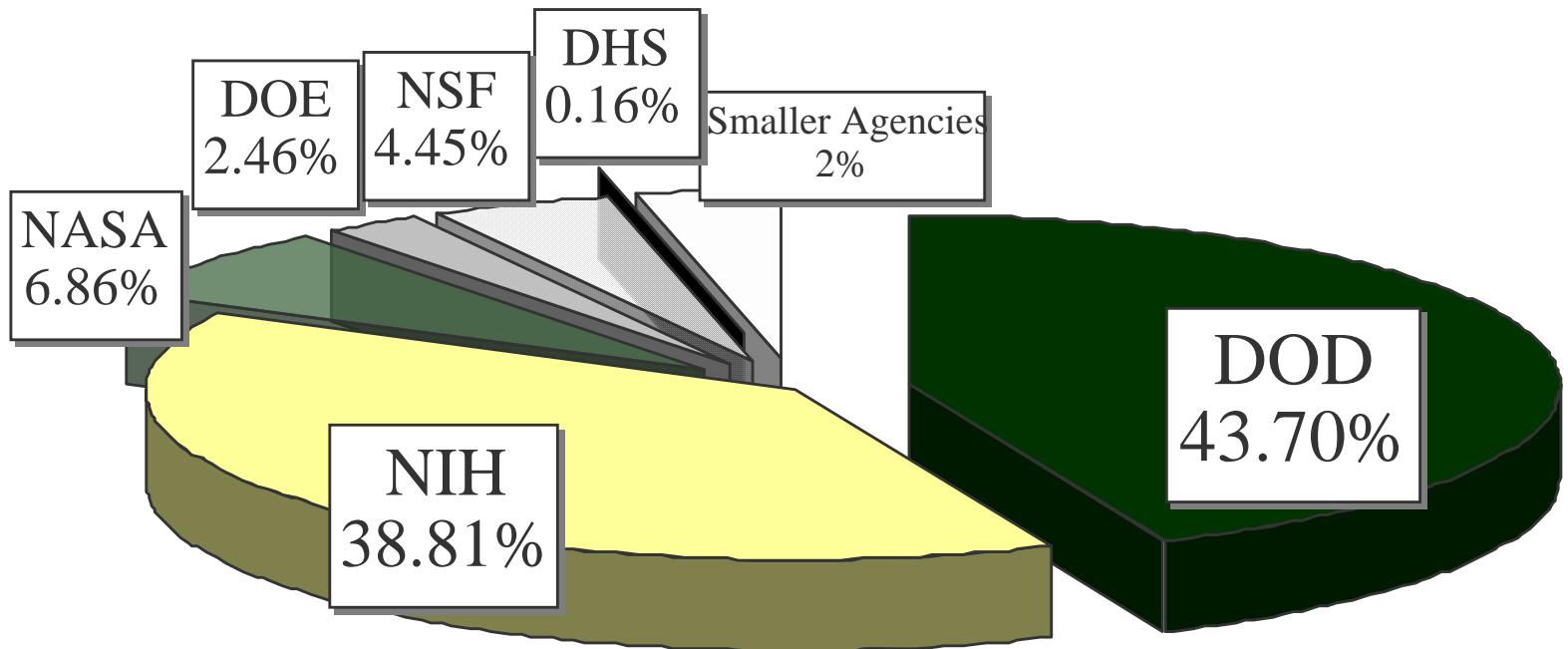
# Potential Benefits for Qualifying Small Businesses

- 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)



*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

