



Is SBIR THE RIGHT STRATEGY FOR YOUR COMPANY?

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Goals & Objectives

- Expand understanding of SBIR program in general
- Present some strategic implications of SBIR for product development and company growth
- Compare SBIR to other funding strategies
- Expand understanding of Florida's Phase 0 SBIR proposal development support



Perspective of the presentation

- Work with several SBIR Phase 1 proposal clients—both university-based and independent companies
- Company perspective vs. researcher perspective
- SBIR as a corporate strategy vs. a research strategy
- SBIR proposal development requires both management & R&D to work as a team.
- Company management point of view



Overview of SBIR

- Federal program that encourages technology innovation leading to new products
- Goals of the program
 - ✓ Encourage technological innovation
 - ✓ Meet **federal** R&D needs
 - ✓ Increase private sector commercialization of innovations derived from federal R&D funding
 - ✓ Encourage participation of socially & economically disadvantaged persons



Overview of SBIR

- Key small business requirements
 - ✓ 51% owned by US citizens or permanent resident aliens
 - ✓ PI must be primarily employed by company (some exceptions and workarounds)
 - ✓ The firm must perform at least two-thirds of the R&D work in Phase I – work cannot be outsourced
- Facility requirements



Overview of SBIR

Three phases

Phase I—establish the technical merit, feasibility & commercial potential of the research idea

6-12 months

\$80-225,000 depending on the agency

Phase II—continue the R&D efforts of Phase I, funding based on the technical merit & commercial potential of Phase I results

\$1 million - \$1.5 million+ over 2 years

Phase III—commercial development with non-federal funding

- See www.sbir.gov for detailed information



Overview of NIH SBIR

Three phases

Phase I—establish the technical merit, feasibility & commercial potential of the research idea

6-8 months

\$150,000-\$250,000 (higher figures must be well justified)

Phase II—continue the R&D efforts of Phase I, funding based on the technical merit & commercial potential of Phase I results

\$1.5 million plus over 2 years

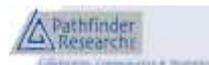
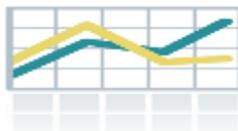
Phase III—commercial development with non-federal funding

- See www.sbir.gov for detailed information



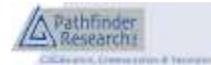
SBIR in Florida-all agencies

- FY 2011 there were 753 proposals & 92 awards
- Win percentage is 12.2%, slightly up from FY 2010 (11%)
 - ✓ Massachusetts win rate = 17.2% (2,422 proposals)
 - ✓ New Hampshire win rate = 22.9% (218 proposals)
 - ✓ New York win rate = 15.5% (943 proposals)
 - ✓ Tennessee win rate = 13.4% (149 proposals)
 - ✓ Georgia win rate = 10.2% (323 proposals)
 - ✓ Other SE states win rate = 10% or less



SBIR in Florida FY 2011

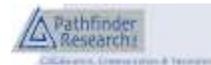
Agency	Proposals	Awards	Percent
DHS	10	2	20.0%
DOD	363	60	16.5%
NSF	92	4	4.3%
NIH	99	11	11.1%
DOE	70	2	2.9%
NASA	60	6	10.0%
EPA	25	1	0.4%
USDA	26	3	11.5%
DOT	6	1	17.0%
NIST	2	0	0.0%



Is SBIR the right strategy for you?

Are there other, more immediate opportunities to secure funding with a good chance of success?

- Personal and family resources
- Debt financing
- Angel investors/equity financing
- Product/service sales



Is SBIR the right strategy for you?

How well does the grant opportunity fit with **your** service/product development objectives and timetable?

- Will it accelerate product development?
- Will it facilitate timely access to needed expertise and equipment?
- Is it squarely in your company's "sweet spot?"
- If you are funded, will it siphon off key people and resources from your primary operations?



Is SBIR the right strategy for you?

How well does your product development objective fit with the **funding agency's** mission and performance goals?

- Is it squarely in the agency's topic or mission "sweet spot?"
- Will it strengthen the funding agency's ability to achieve its Congressionally-mandated mission?
- Will it likely lead to additional follow-on funding (Phase 2 and beyond) to establish a government market for the product?



Is SBIR the right strategy for you?

Do you have sufficient operating systems in place to manage the grant or contract funding if you win?

- Technical reporting
- Financial accounting and reporting
- Program/project management
- Equipment and facilities
- Advisors and technical experts



Is SBIR the right strategy for you?

Do you have sufficient income/revenues to sustain the company while waiting 6-9 months for award decisions to be made?



Is SBIR the right strategy for you?

Proposed research project should be the one that is in the pipeline—**not** the primary product currently under development.



Is SBIR the right strategy for you?

- Private sector vs. public sector cultures
 - Incentives (profit vs. public service)
 - Operating speeds
 - Reimbursement for work after it is done
 - Regulatory requirements
 - Management & oversight of public funds
 - Accountability
 - Agencies are accountable to Congress
 - Companies are accountable to Boards & shareholders



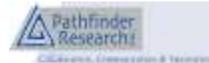
Is SBIR the right strategy for you?

1. Can you wait 6-9 + months for the funds?
2. Is your technology development trajectory in sync with SBIR time lines?
3. Is your technology squarely in the funding source's sweet spot?
4. Is your management team in place?
5. Can your company do 2/3 of the work required in-house?



Is SBIR the right strategy for you?

6. Is your PI employed 51% by the company?
7. Do you have clear, straightforward access to IP, facilities and expertise?
8. Will the grant siphon off key people and resources from your primary operations?
9. Will it make your company more attractive to investors?
10. Do you have the ability to manage the financial and technical reporting in-house?



Other funding opportunities

- R&D contracts
- Cooperative R&D Agreements (CRADAs)



Contracts

- Proposers must address the **specific need** cited by the funding source in the solicitation or RFP.
- Proposers must **demonstrate in-depth understanding of the issue/problem** and awareness of the various approaches to solving the problem or meeting the need.
- Proposers must demonstrate they have the management, technical, financial and other required infrastructure in place.



Contracts

- Award decisions are most often made by evaluating proposals against a set of criteria that are listed in the RFP.
- Sometimes proposers for contracts are asked to submit a “best and final” offer.
 - This means you are one of the top 3 or 5
 - This means you have an opportunity to lower your estimated costs (often ‘low bid’ wins)



Contracts

- Once an award is made, payment schedules vary.
- Contracts usually are based on **reimbursements** of costs to the company in doing all or part of the work—monthly or quarterly with proof of expenditures made.
- Contracts require companies to begin doing the work then invoicing for payment on an agreed-upon schedule upon submission of technical reports and invoices.



Contracts

- Contracts—agency defines the problem to be solved and selects the company with the best proposed approach, best price and best track record to do the work.
- Grants—company defines the problem, matches it to the mission of the funding source, and demonstrates unique capability to provide a product/solution.



Problem to be solved

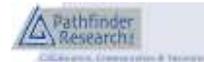
Questions to answer about the problem:

1. What is the problem exactly?
2. What are the consequences of not solving the problem or resolving the issue?
3. How many people are affected by the problem and where are they located?
4. What approaches have been used already to try to solve the problem?
5. Why haven't those solutions worked?
6. What is better about your solution and how does it work?



Who are your competitors?

- Grant and contract funding is limited and competition is fierce.
- Winning an award requires knowledge of the types of organizations that also are seeking to secure grant or contract funding from the same agency.
- Winning an award requires knowledge of the approaches used by competing organizations to serve their clients and customers.
- Where is this information?

A screenshot of the SBA TECH-Net search interface. The page has a blue header with the SBA logo and 'TECH-Net' text. A search bar is at the top with 'Search Help' and 'Exit Help' buttons. The main content area is divided into several sections: 'Search for keywords/names in the' with radio buttons for 'Keywords', 'Business Names', and 'Person Names'; 'Size' with input fields for 'Employees(s) and/or' and 'Award amount in dollars'; 'Specific Company or Award(s)' with input fields for 'Company Name', 'Award ID(s)', 'Agency Tracking Number', 'Contract Number', and 'Solicitation Number'; 'Desired Report' with radio buttons for 'Awards List', 'State Summary List', and 'State Summary Graph'; and 'Awards List Options' with radio buttons for 'Font Size' (Tiny, Normal, Bigger, Large) and 'Format' (Table, Mail-merge, delimited by:). The footer contains copyright information and a version number.

SBA TECH-Net

Table
 Mail-merge, delimited by:
 comma
 comma and blank
 tab

Firm Name/Address
 Just Firm Name
 Just City/State
 No Name/Address Info

Agency/Branch
 Agency Tracking Number
 Phase Years/Amounts
 Title
 Phase
 Minority Owned?
 Woman Owned?
 Relevance Score

Show: 25 awards per page

Ascending Award ID
 Ascending Company Name, Award ID
 Ascending State Code, City, Award ID
 Ascending State Code, Company Name, Award ID
 Descending Keyword Relevance Score

1 Results 1 Filter 1 Page/100 pages 1 View/Phase 1 Query/3 Results 1 Information Quality 1 Help 1 Feedback 1 Help

SBA Processing: ©1997-2000 Version: TECH-Net 3.0
Session Timeout in 30 minutes

SEARCH RESULTS

**Awards Listing,
 Ascending Award ID**

 where awarding Agency is DOE
 and the award is active in SEARCH
 and we want to see only Phase 1 awards
 where the awardee resides in one of: FL
 and the award/phase year is in the range of 2000 - 2012

The search took 0.96 seconds. Now displaying awards 1 to 25 of 68 awards.

#	ID	Agency	Firm Name & Address	Phase 1 Year/Amt	Phase 2 Year/Amt	Title
1	46642	DOE	Constellation Technology Corporation 7867 Bryan Dairy Road Suite 100 Largo, FL 33777	2000	\$97,873.00	Not Available
2	48849	DOE	Constellation Technology Corporation 7867 Bryan Dairy Road Suite 100 Largo, FL 33777	2000	\$98,453.00	Not Available
3	50880	DOE	Supergenics 3223 Tree Bay Lane Sarasota, FL 34242	2000		Not Available
4	51568	DOE	Supergenics 3223 Tree Bay Lane Sarasota, FL 34242	2001	\$99,584.00	A Method to Increase Current Density in a Mono-Bilayer Internal Te Process Superconductor Utilizing ZrO ₂ to Refine the Grain Size
5	51685	DOE	Constellation Technology Corporation 7867 Bryan Dairy Road Suite 100 Largo, FL 33777	2001	\$99,832.00	Novel Photodiode for use in High Energy Physics
6	51700	DOE	Constellation Technology Corporation 7867 Bryan Dairy Road Suite 100 Largo, FL 33777	2001	\$99,157.00	Portable Electronics for Multi-Channel Digital Coincidence X-Ray Spectroscopy

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[Search All NASA's Online Synopses](#)
[Search Using Your Most Recent Preferences](#)
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NASA Business Opportunities

[Link to NASA Centers' Synopses of Contract Awards Pages:](#)
[ARC](#)
[DFRC](#)
[GRC](#)
[GSFC](#)
[HQ](#)
[JSC](#)
[KSC](#)
[LARC](#)
[MSFC](#)
[NMJ](#)
[NSSC](#)
[SSC](#)

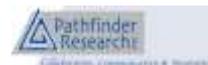
[Centers acronym definitions](#)

Synopses of Contract Awards

- 
Posted: Jul 05, 2012 **Center:** JSC
Title: PYROSHOCK TESTING
Award Number: NN112H098P
Award Posted on: Jul 05, 2012
- 
Posted: Jul 05, 2012 **Center:** LARC
Title: SPACEFLIGHT 125 MHZ CRYSTAL OSCILLATORS
Award Number: NN112AC10P
Award Posted on: Jul 05, 2012
- 
Posted: Jul 05, 2012 **Center:** LARC
Title: SP2 SINGLE PARTICLE SOOT PHOTOMETER AND SP2 YAG OPTICS KIT
Award Number: NN112AE14P
Award Posted on: Jul 05, 2012
- 
Posted: Jul 05, 2012 **Center:** LARC
Title: UPGRADE TO VIC-3D STEREO MICROSCOPE SYSTEM
Award Number: NN112AE03P
Award Posted on: Jul 05, 2012
- 
Posted: Jul 05, 2012 **Center:** LARC
Title: SPACE FLIGHT DUAL DRIVER AND RECEIVER TRANSDUCER LVDS DRIVER AND RECEIVER AND VOLTAGE REGULATORS

Cooperative R&D Agreements

- Potential alternative to cultivate a government market
- Government lab and company scientists & engineers work together on a defined project of interest to both parties
- Company usually retains all IP rights to any new discoveries & inventions, but government requires a royalty-free license
- Successful outcomes often lead to follow-on contracts for company to continue R&D and product development



Cooperative R&D Agreements

- CRADAs result from discussions between the company and a particular federal laboratory
- Engineers/scientists from both sides develop the Statement of Work (SOW)
- Each side pays its own expenses for the work
- Government lab provides facilities, equipment, expertise to support the project
- Agreements are formally signed—often a ceremony
- Excellent company strategy to cultivate strong, positive relationships with R&D programs within the laboratory system



5 Tips for SBIR Phase 1 proposals

- 1. Address a real & compelling problem in the market**
 - Real problems are those not currently being solved or not being adequately solved
 - Compelling problems are
 - those that have quantifiable painful consequences if not solved
 - validated by 3rd parties
 - Differentiate between customers and end-users



5 Tips for SBIR Phase 1 proposals

2. SBIR is *not* exploratory research

- ✓ **Both** management and technical personnel must engage in proposal development!
- ✓ Specific aims should be **S.M.A.R.T.**
- ✓ Specific aims should focus on understanding **how well your technology works** for specific molecules, compounds, nucleic acids, carbohydrates, conditions, procedures, etc.
- ✓ There should be **NO POSSIBILITY OF FAILURE** in the specific aims—the data will be valuable.



5 Tips for SBIR Phase 1 proposals

3. Must target the “sweet spot” of the funding center, institute, directorate or program

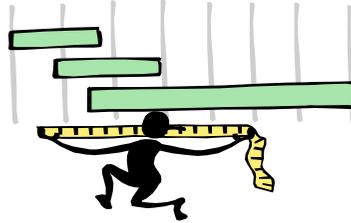
- ✓ Ask around the agency
- ✓ Look for the best fit for your idea
- ✓ Ask for guidance on funding levels
- ✓ Review past award abstracts



5 Tips for SBIR Phase 1 proposals

4. Research strategy must--

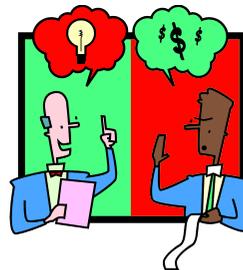
- ✓ be sharply focused
- ✓ be do-able in 6 months
- ✓ reflect movement toward Phase 2 commercialization plans
- ✓ relate to milestones and metrics



5 Tips for SBIR Phase 1 proposals

5. Grantsmanship

- ✓ Talk with agency SBIR POC!
- ✓ Ask questions—don't "pitch"
- ✓ Emphasize market need
- ✓ Relate research plan to the overall commercial pathway
- ✓ Use spellcheck!
- ✓ Follow directions
- ✓ Submit 3-4 days early



SBIR in Florida

How can we increase the number of Florida winners?

- Increase number of SBIR proposals submitted
- Improve quality of proposals
- Utilize local experts and resources
 - ✓ Greenwood Consulting—SBIR experts
 - ✓ Business incubators & programs
 - ✓ Enterprise Florida Phase “Zero” program
 - ✓ Grant writing coaches and consultants



SBIR in Florida

Enterprise Florida’s “Phase 0” Program

- Application must be made at least 5 weeks before proposal due date
- \$250.00 application fee
- Preliminary assessment of “fit” of idea with solicitation topic by Enterprise Florida evaluation committee
- If approved, company receives access to the Phase 0 application form—SBIR “lite”
- Completed application is distributed for national review of 3 experts
- Based on review results, Enterprise Florida will approve Phase 0 funding



SBIR in Florida

Enterprise Florida's "Phase 0" Program

- Up to \$3000 to pay for grant writing assistance, travel and other allowable expenses paid in 2 installments
- First installment is paid immediately
- 2nd payment must be requested after proposal submission with proof of submission
- Outside reviewers provide excellent feedback
- Feedback should be used to strengthen the Phase 1 SBIR grant proposal
- www.eflorida.com (type Phase 0 into the search box)



Pathfinder Research

Thank you!

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