The American Indian Chamber Education Fund
Procurement Technical Assistance Center
in partnership with:
The Northrop Grumman Corporation,
USC Center for Economic Development,
and the U.S. Small Business Administration

Welcome you to the
SBIR WORKSHOP

SBIR · STTR
America’s Seed Fund

Innovation Forum
Leveraging America’s Seed Fund
Goals

→ 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 women and socially/economically disadvantaged individuals

→ Foster technology transfer through cooperative R&D between small businesses and research institutions (STTR)
Small Business Innovation Research (SBIR)

- 3.2% of external research budgets (extramural R&D budgets greater than $100 million/year)
- \(~$3.28\) billion (FY19)

Small Business Technology Transfer (STTR)

- 0.45% of external research budgets (extramural R&D budgets greater than $1 billion/year)
- \(~$453\) million (FY19)

Requires small businesses to subcontract with a nonprofit U.S. research institution

Combined ~ 5,000 new awards to small businesses each year
Key Elements of SBIR/STTR Funding

NON-DILUTED CAPITAL
The funding agency cannot take an equity position or ownership of your firm

IP/DATA RIGHTS PROTECTION
Government can’t share your reports or data with anyone outside of the federal government for 20 years

DIRECT FOLLOW ON PHASE III AWARDS
No need for further competition (J&A not required)
SBIR & STTR Participating Agencies

- Department of Agriculture (USDA)
- Department of Commerce (DoC) NIST, NOAA
- 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)
## FY2019 SBIR/STTR Budgets by Agency

<table>
<thead>
<tr>
<th>Agencies</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Defense (DoD)*</td>
<td>$1.80 B</td>
</tr>
<tr>
<td>Department of Health and Human Services (HHS)**,</td>
<td>$1.15 B</td>
</tr>
<tr>
<td>including the National Institutes of Health (NIH)</td>
<td></td>
</tr>
<tr>
<td>Department of Energy (DOE), including Advanced</td>
<td>$308 M</td>
</tr>
<tr>
<td>Research Projects Agency – Energy (ARPA-E)</td>
<td></td>
</tr>
<tr>
<td>National Science Foundation (NSF)</td>
<td>$212 M</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration (NASA)</td>
<td>$183 M</td>
</tr>
<tr>
<td>U.S. Department of Agriculture (USDA)</td>
<td>$30 M</td>
</tr>
<tr>
<td>Department of Homeland Security (DHS)</td>
<td>$17 M</td>
</tr>
<tr>
<td>Department of Commerce: National Oceanic and</td>
<td>$9.5 M</td>
</tr>
<tr>
<td>Atmospheric Administration (NOAA)</td>
<td></td>
</tr>
<tr>
<td>Department of Education (ED)</td>
<td>$8.4 M</td>
</tr>
<tr>
<td>Department of Transportation (DOT)</td>
<td>$5.2 M</td>
</tr>
<tr>
<td>Department of Commerce: National Institute of Standards</td>
<td>$3.9 M</td>
</tr>
<tr>
<td>and Technology (NIST)</td>
<td></td>
</tr>
<tr>
<td>Environmental Protection Agency (EPA)*</td>
<td>$3.6 M</td>
</tr>
</tbody>
</table>

* Budgeted Amount; other Agencies Obligated Amount
** Provides grants and contracts

SBIR: $3.28 Billion
STTR: $453 Million
<table>
<thead>
<tr>
<th>Contracting Agencies</th>
<th>Granting Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Agency establishes plans, protocols, requirements</td>
<td>▪ Principal Investigator initiates approach</td>
</tr>
<tr>
<td>▪ Highly focused topics</td>
<td>▪ Less-specified topics</td>
</tr>
<tr>
<td>▪ Procurement mechanism</td>
<td>▪ Assistance mechanism</td>
</tr>
<tr>
<td>▪ More fiscal requirements</td>
<td>▪ More flexibility</td>
</tr>
<tr>
<td>▪ Invoiced on progress</td>
<td>▪ Allows upfront payment</td>
</tr>
<tr>
<td>▪ Binding agreement between a buyer &amp; seller for goods/services</td>
<td>▪ Funds support a public purpose, best efforts in research</td>
</tr>
</tbody>
</table>

**DoD, DHS, NASA, EPA, DOT, DoED**  
**NSF, DoE, USDA, NIST, NOAA**

Contracting and Granting: **HHS/NIH** (mostly grants)
Three Phase Process

Phase I
Concept Development
6 months – 1 year
~ $150,000

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

Phase III
Commercialization
No SBIR funding

Solicitation to Award Process

Find Solicitation
Proposal Submission
Evaluation
Award Phase I
## Differences Between SBIR and STTR

<table>
<thead>
<tr>
<th>Partnership Requirement</th>
<th>SBIR</th>
<th>STTR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permits partnering</td>
<td></td>
<td>Requires a non-profit research institution partner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal Investigator</th>
<th>SBIR</th>
<th>STTR</th>
</tr>
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<tbody>
<tr>
<td>Primary employment (&gt;50%) must be with the small business</td>
<td>PI may be employed by either the research institution partner or small business (check solicitation)</td>
<td></td>
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</tbody>
</table>

<table>
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<tr>
<th>Work Requirement</th>
<th>SBIR</th>
<th>STTR</th>
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<tbody>
<tr>
<td>May subcontract up to: 33% (Phase I) 50% (Phase II)</td>
<td>Minimum: 40% Small Business 30% Research Institution Partner</td>
<td></td>
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<tr>
<th>Program Size</th>
<th>SBIR</th>
<th>STTR</th>
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<tbody>
<tr>
<td>3.2% (FY19 - $3.28B)</td>
<td>0.45% (FY19 - $453M)</td>
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<table>
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<tr>
<th>Majority VC ownership</th>
<th>SBIR</th>
<th>STTR</th>
</tr>
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<tbody>
<tr>
<td>Allowed by some agencies</td>
<td>Not allowed</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Participating Agencies</th>
<th>SBIR</th>
<th>STTR</th>
</tr>
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<tbody>
<tr>
<td>11 agencies (extramural R&amp;D budget &gt; $100M)</td>
<td>5 agencies (extramural R&amp;D budget &gt; $1B)</td>
<td></td>
</tr>
</tbody>
</table>
What does an SBIR/STTR firm look like?

- Company must be for profit, U.S. owned and operated, and under 500 people
- Work must be done in the U.S.
- Focus is on performing R&D – Not purchasing equipment, commercializing a technology that has already been developed, or one that has very low risk and only needs capital

The small business is ALWAYS the applicant and awardee!
Principal Investigator (PI)

→ Must be employed by the small business (or partnering research institution for STTR) at **time of award** (check solicitation)
→ Should have appropriate expertise to oversee project scientifically and technically
→ Expertise of the PI and team are one of the three evaluation factors
Keyword searches – Learn which agencies fund your technology area!

www.sbir.gov/sbirsearch/topic/past
Where to Begin? – Award Searches

→ Identify successful firms
→ Identify agency investments in technology areas

www.sbir.gov/sbirsearch/award/all
Why We Work on America’s Seed Fund

Online Tutorials

→ 55 Courses including:
   → Agency overviews
   → Program basics
   → Data rights
   → IP protection

www.sbir.gov/tutorials
SBA works with a number of local partners to counsel, mentor, and train small businesses in the innovation ecosystem.

www.sbir.gov
Stay In Touch

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#seedthefuture

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