

An Introduction to the  
**SMALL BUSINESS INNOVATION  
RESEARCH (SBIR) & STTR PROGRAMS,  
& ECONOMIC STIMULUS FUNDING**

- Do These Programs Fit Your Business Objectives?
  - Winning Strategies For Business Capture
- Where Can We Find the ARRA Stimulus funding?

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# OVERVIEW – Highlights of:

- SBIR/STTR PROGRAM(s) DESCRIPTION
- HOW TO GO ABOUT CAPTURING SBIR CONTRACTS/GRANTS – *WINNING STRATEGIES*
- GOVERNMENT BUSINESS VS. COMMERCIAL – PROs & CONs
- BID DECISION FACTORS & CRITERION
- FINDING THE A.R.R.A. STIMULUS FUNDING  
{With lots of hyperlinks & references for further study}

**WHY SHOULD YOU BE INTERESTED?**

**SBIR/STTR -**

**Is the most important source of  
early-stage technology venture financing for  
America's Entrepreneurs !!!!**

# IN THE BEGINNING

- SBIR was created by Federal legislation in '82
- Envisioned as “Economic Stimulus”
- Founders recognized most/better innovation came from smaller businesses
- Roland Tibbetts - *a key founder*
- Treated as a procurement, hence subject to the Federal Acquisition regulations (FARs) – *explains why many things are different than commercial world:*
  - *Announcements, solicitations, written proposals, schedules, & subject DCAA audit*

# WHAT IS IT? – 3 Phase Program:

## PHASE 1

FUNDS:	Up to ~\$100,000 (some less – some unofficially more)
DURATION:	Typically 6 months (some 9 months)
PURPOSE:	Demonstrate feasibility (can be on paper)
PRODUCT:	Report and Phase II Proposal

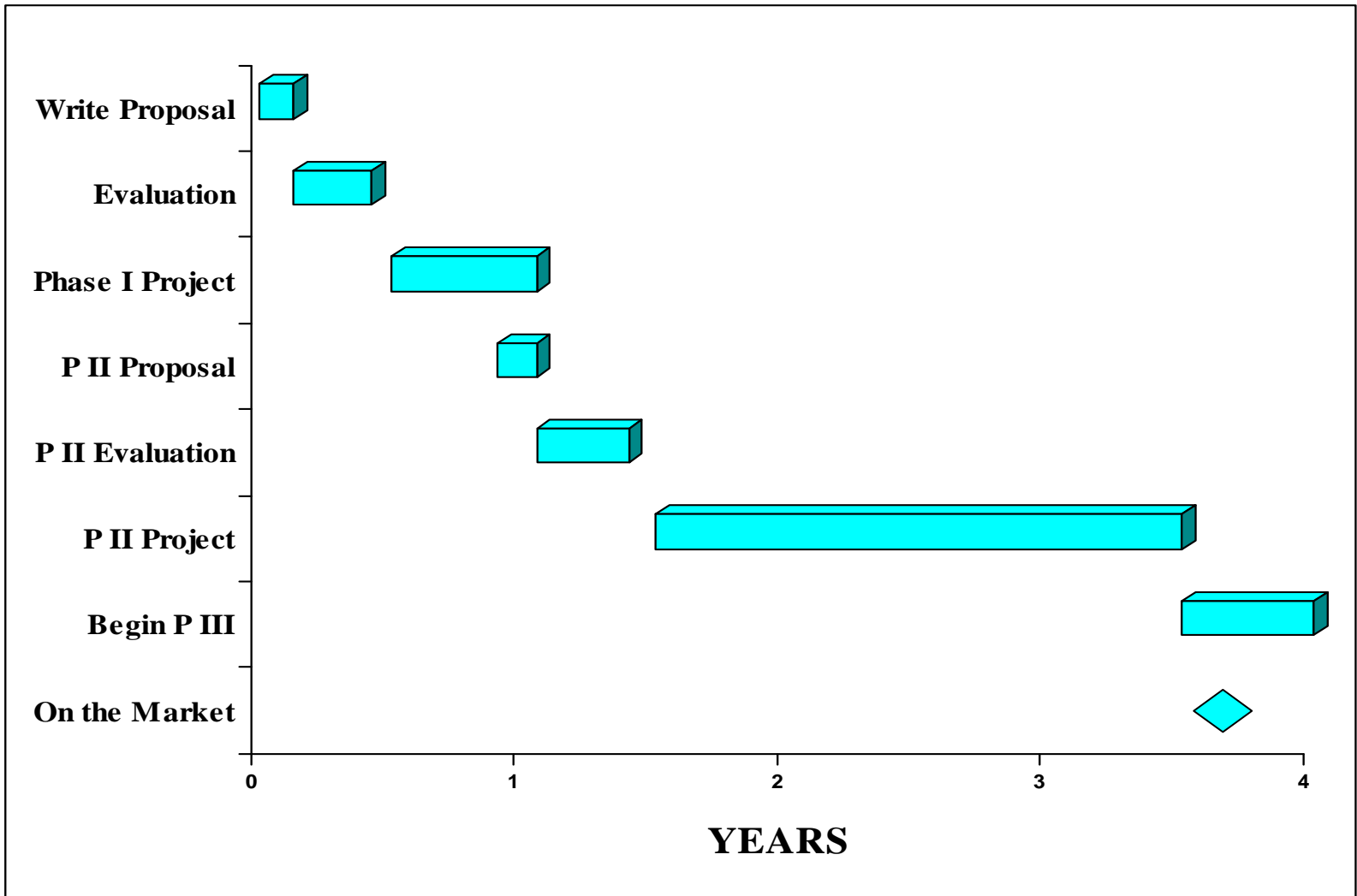
## PHASE II

FUNDS:	Up to \$1 m. (some less-some more)
TIME:	Up to two years (or more)
PURPOSE:	Test/demonstrate the concept
PRODUCT:	Report and/or prototype

## PHASE III

FUNDS:	<u>Unlimited</u> (no SBIR funding BUT <i>can market sole-source to US Gov't</i> )
TIME:	<u>Unlimited</u> (no graduation, no size limit)
PURPOSE:	Commercialization of the concept
PRODUCT:	Products or services for sale

# BEYOND THE 3 PHASES



# WHAT IS IT? – More details:

- Funded by surcharging Federal Agencies with extramural R&D budgets >\$100M - ~2 ½ % (~1 ½ % of total R&D budget)
  - Approx. \$20 B. under management
  - Approx. \$2 B, new money awarded annually
  - Approx. 5000 new projects awarded annually
  - Entre' to much more in Commercialization Phase
- Program renewal postponed until July '09
- Participation by venture capitalist owned firms is an issue
- “Small” Business – means under 500 employee
- Must be >51% American owned
- “For Profit” business
- R&D Definition – Systematic, intensive study directed toward greater knowledge or understanding, & or applying such knowledge to a new application
- Approximately 10 Agencies currently participating

# SMALL BUSINESS TECHNOLOGY TRANSFER (STTR) PROGRAM

- **PURPOSE** – Conceived to facilitate Small Business collaboration with “Federally Funded Research & Development Agencies (FFRDAs).
- **VERY SIMILAR TO SBIR, EXCEPT:**
  - FFRDC can perform 30%-60% of work (limited to < 33.3% in SBIRs)
  - Fewer agencies do STTRs
  - Much smaller budgets than SBIR (but less competition)
- **OTHER FEDERAL PROGRAMS** – Quite a few, just look around
- **FOR MORE ON STTR, [CLICK HERE](#)**

# FEDERAL AGENCIES PARTICIPATING

- ❑ SBA Has Overall Program “Oversight” Responsibility ([See SBA Site](#))
- ❑ **11 Federal Agencies Involved (For Current List & Solicitation Release Dates, [Click Here](#))**
  - Defense (DoD - \$999 million )
  - Health and Human Services (National Institutes of Health, Centers for Disease Control- HHS/NIH - \$574 million )
  - National Aeronautics and Space Administration (NASA - \$108 million )
  - Energy (DOE- \$102 million)
  - National Science Foundation (NSF - \$94 million)
  - Agriculture (USDA - \$18 million)
  - Transportation (DOT - \$4 million)
  - Environmental Protection Agency (EPA - \$8 million)
  - Education (ED - \$9 million)
  - Commerce (National Oceanographic and Atmospheric Administration NOAA /National Institute on Standards and Technology NIST- \$7 million)
  - Homeland Security (\$33 million)
- **NIH Rule Difference** - *{Biology is the only science in which multiplication is the same thing as division}*

# SOLICITATIONS – Competiton & Scheduling

- Two types of Solicitations:
  - Generic – Your proposal competes with a vast array of innovations, technologies, & competitors
  - Specific – More focused, easier to size up competition
- Solicitation scheduling – Agencies use titles like:
  - “Solicitation Posted” – Means solicitations & instructions available, & talking with them is still allowed
  - “Accepting Proposals” – Customer questioning period closes
  - “Closed to Proposals” – Absolute deadline for accepting

**MARK YOUR CALENDAR! -You Must March to Their drummer**

# SBIR *PROs* & *CONs*

- *FREE Capital – No pay-back*
- *Easier entre' to venture capital*
- *Entre' to “sole-source” government contracts*
- *Structured system – helps new start-up get their act together*
- *You must march to their drummer (schedules) – includes delays for proposal evaluation, contracts & cash flow*
- *Small overhead in documentation (can be minimized)*

# TYPICAL SBIR PROPOSAL OUTLINE

- Cover page(s) – (Includes abstract for public release)
- Identification & Significance of the Problem or Opportunity
- Technical Objectives
- Work Plan
- Related Work
- Relationship With Future R&D
- Potential Post Applications
- Key Personnel
- Facilities/Equipment
- Consultants & Subcontracts
- Prior, Current or Pending Support
- Cost Proposal

*SBA SITE HAS PROPOSAL PREPARATION HANDBOOK*

# GETTING STARTED 1 – The Steps

- Create/update your operating *Business Plan*
- Pick an Agency
- Review & understand the Agency's program
- Download Solicitations & Proposal Preparation Instructions
- Key Dates for Calendar – watch for them:
  - Solicitations Posted – Solicitations & instructions released
  - Accepting Proposals – Customer questioning period closes
  - Closed to Proposals – Absolute deadline for accepting
- Marketing – gather needed intelligence & develop “product champions” (advocacy)
- Write the “Winning Proposal”

# WINNING STRATEGY HIGHLIGHTS

(See Ron's "[Winning Strategies](#)" briefing for more detail)

*{Strategy = marshalling of forces to win, employing plans to achieve goals}*

- MARKETING – Intelligence gathering, creating product champions
- BUSINESS PLANNING –
  - Operating plan with clear vision for your company & how the SBIR fits
  - Clear vision & organized plan to carry through – from now through Phase 1, 2 & Commercialization
- GREAT TALENT –
  - Principal Investigator – Established credentials
  - Covering all facets of your project
  - Team building, consultants & collaborations to fill gaps
- DO ENOUGH PRE-PROPOSAL HOMEWORK TO WIN –
  - “Compelling Arguments”- Avoid simple assertions & “trust me” language
  - Use facts, data & clear cut evidence to support your contentions
  - “Ghosting”- to subtly point out weaknesses in the competition

## IS SBIR FOR YOU? – Travelling Bid Decisions (TBDs)

- Do you have the “IR” mindset? – Technologically & management-wise
- Do you have a clear vision of how to proceed from now through commercialization? – Commercialization strategy?
- Does this SBIR project contribute to your overall business goals?
- Principal Investigator with proven track record?
- Right skill mix in your team, to cover all facets? (Ex. – a person familiar with government procurement & proposal writing)
- Competitive Advantage? – a clear understanding of your competitors, their technology, & why your technology is better
- Marketing Skills? – Do you have a thorough understanding of what the customer wants, and, have you cultivated the right “product champions”?
- Sufficient Resources? To assume the risks of losing, & cash-flow after award

For more, see Ron’s presentation link on next page.

**Good Luck!**

# ACKNOWLEDGMENTS & LINKS

Ms. Vivian Lauderdale – <http://www.scibiz.net/> & <http://aeroweb.space.com/AIAA/archives/Lauderdale.pdf>

Dr. Richard Nelson, UCI – <http://newport.eecs.uci.edu/~rnelson/> &  
<http://aeroweb.space.com/AIAA/archives/Nelson.pdf>

Dr. Dennis Wonica –

John Davis – <http://sbir.us>

Gail & Jim Greenwood – <http://g-jgreenwood.home.att.net/SBIR.htm>

Ann Eskesen – Lots of good SBIR statistics - <http://www.innovation.com/>

Ron's "Winning Strategies For SBIR Business Development" Presentation -  
<http://www.aeroweb.space.com/AIAA/archives/Ron%20Oglevie.pdf>

Ron's Site - <http://www.aeroweb.space.com/sbir.shtml>

SBA's SBIR Site - <http://www.sba.gov/aboutsba/sbaprograms/sbir/index.html>

SBA's SBIR Info Sources - <http://www.sba.gov/aboutsba/sbaprograms/sbir/sbirstir/index.html>

Includes [Handbook](#) for Proposal Preparation and SBIR [Policy Directives](#)

Description of the [Small Business Technology Transfer Program](#) (STTR) -

[http://www.sba.gov/aboutsba/sbaprograms/sbir/sbirstir/SBIR\\_STTR\\_DESCRIPTION.html](http://www.sba.gov/aboutsba/sbaprograms/sbir/sbirstir/SBIR_STTR_DESCRIPTION.html)

Description of the [Small Business Innovation Research Program](#) (SBIR) -

[http://www.sba.gov/aboutsba/sbaprograms/sbir/sbirstir/sbir\\_sbir\\_description.html](http://www.sba.gov/aboutsba/sbaprograms/sbir/sbirstir/sbir_sbir_description.html)

SBA Solicitation Calendar & Links to Participating Agencies -

<http://www.sba.gov/aboutsba/sbaprograms/sbir/announce/index.html>

SBIR Gateway (Info. on SBIR Conferences & Workshops, and Solicitation Schedules) - <http://www.zyn.com/sbir/>

Nat. Reconnaissance Office Director's Innovation Initiative Program – <http://dii.westfields.net>

The \$789 Billion *American Recovery  
and Reinvestment (ARRA)* Act of  
2009

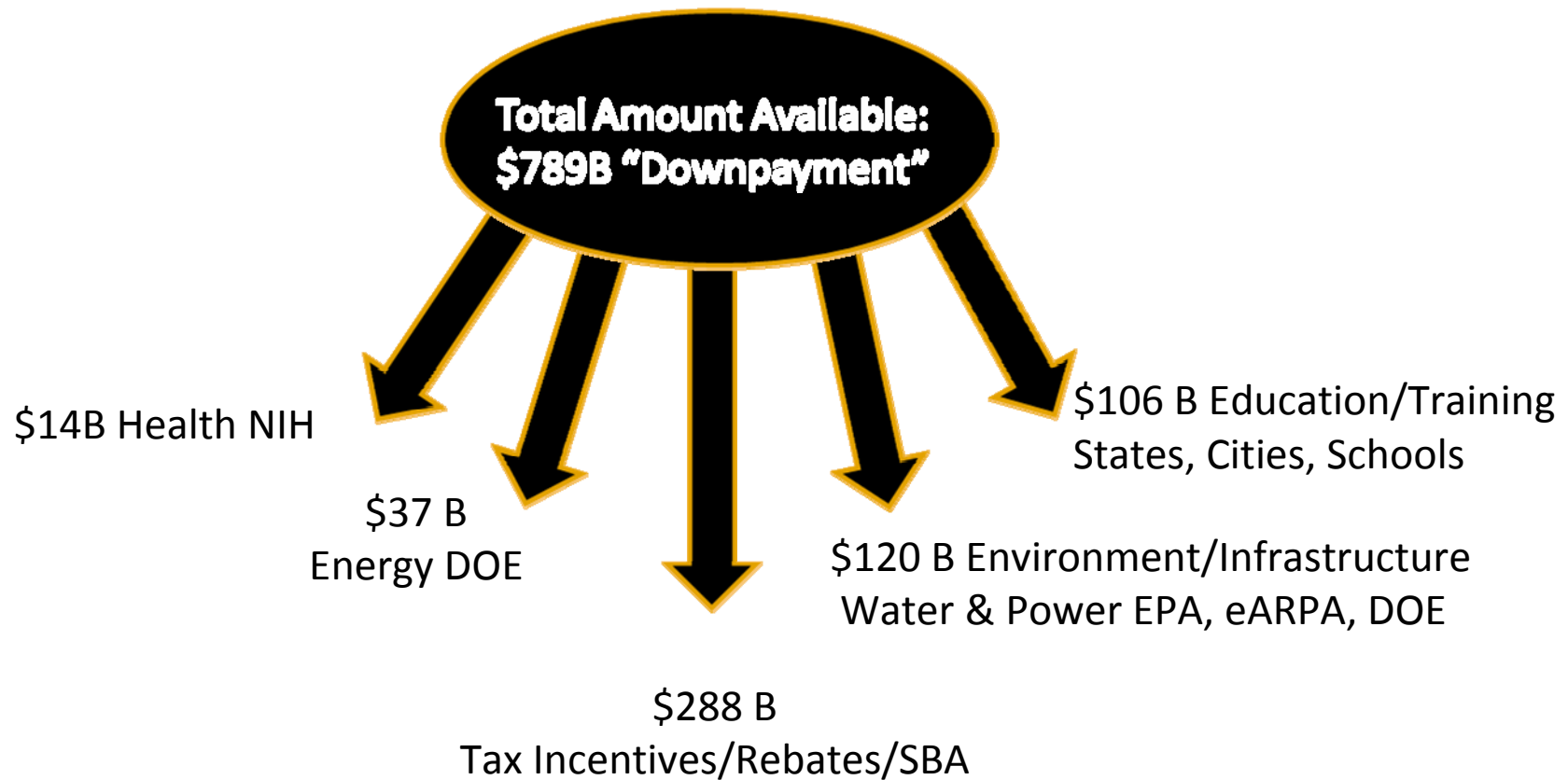
AKA

**“SHOW ME THE MONEY”**

**“I WANT TO REBUILD AMERICA”**

*Paul Donahue, Dr. Dennis Wonica, Alice Yoo & Ron Oglevie*

*5/30/09*



DOE, EPA, NIH > \$170 B for Innovation by  
Scientists, Engineers, Entrepreneurs

- <http://www.recovery.gov/?q=content/investments>

# ARRA TECHNOLOGY FUNDING – Where Do You Find It?

- Not easy to find!
  - NIH – Already released and closed massive “Omnibus Grant Solicitation”, more to come
  - DOE – New web site – [www.ARPA-E.net](http://www.ARPA-E.net) – features “Concept Papers” to start process
- Rest of it still not very visible on web – requires deeper searching (great marketing opportunity!)
- Start with [www.Recovery.gov](http://www.Recovery.gov) – see old announcements, & request RSS feeds for new ones
- Ditto for [www.Grants.gov](http://www.Grants.gov)
- Later Breaking Example – Solicitation DEFOA400107, \$50M for energy efficiency improvements

# A.R.R.A. Web Resources

<http://www.grants.gov/>  
<http://www.recovery.gov/>

\*\*\*\*\* Government Grant RSS Feeds

[http://www07.grants.gov/rss/GG\\_OppModByCategory.xml](http://www07.grants.gov/rss/GG_OppModByCategory.xml)

\*\*\*\*\* Government Grant E-mail Feeds

[http://www07.grants.gov/applicants/email\\_subscription\\_signup.jsp](http://www07.grants.gov/applicants/email_subscription_signup.jsp)

- <http://www.lgprogram.energy.gov/features.html>
- Climate Action Team and Initiatives
  - [http://www.climatechange.ca.gov/climate\\_action\\_team/index.html](http://www.climatechange.ca.gov/climate_action_team/index.html)
- State Water Resources Control Board (SWRCB) Calendar
  - [http://www.swrcb.ca.gov/board\\_info/calendar/2008.html](http://www.swrcb.ca.gov/board_info/calendar/2008.html)
- California Department of Water Resources (DWR) Water Plan
  - <http://www.waterplan.water.ca.gov/>
- **California Energy Commission**
  - [www.energy.ca.gov](http://www.energy.ca.gov)
  - [www.ccse.org](http://www.ccse.org)

# OVERALL CONCLUSIONS

- ARRA funding (plus existing) provides the ***most fertile technology business development opportunities in the history of man***. It's yours for the taking!
- Business strategies discussed can improve your odds of winning from two to 10 fold
- OCEN & CESC Government Business Development SIGs - may be helpful

***BEST OF LUCK!***

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