

# NON-DILUTIVE FUNDING

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**SBIR** – Small Business Innovation Research

**STTR** – SBIR Technology Transfer



# NON-DILUTIVE FUNDING

FREE \$\$\$?

NOTHING IS FREE



# PRICE TO PAY

Grantor's Objectives vs. Company Objectives

Meeting RFP Criteria

Time is \$\$\$

# \$\$ SOURCES

Small Business Innovation Research (SBIR/STTR)  
\$2.3 Billion/Year

Foundations/Societies  
(Bill & Melinda Gates, Susan G. Komen, etc)

Federal: Non-SBIR  
(CDC, FDA, DARPA, BARDA, etc)



# RESOURCES

SBIR/STTR Grants and Contracts:

[www.zyn.com/sbir](http://www.zyn.com/sbir)

[www.sbir.gov](http://www.sbir.gov)

Community of Science  
Foundations Directory Online

# SBIR/STTR RULES

- **SET-ASIDE:**  
3.2% SBIR, 0.45% STTR
- **R&D FUNDING:**
- **PHASE I**
- **SUBCONTRACTS:**  
SBIR: 33% Max  
STTR: 60% Max
- **PRINCIPLE INVESTIGATOR:**  
Company Employee †
- **FACILITIES:**  
Company Operated
- **PATENTS/IP:**  
Company Controlled ††



# PHASES

	<b>AWARD AMOUNT</b>	<b>DURATION</b>	<b>OBJECTIVE</b>
PHASE I	\$150,000	6 TO 12 MOS.	Feasibility
PHASE II	\$1,000,000	2 TO 3 YEARS	Product Development

Phase I



Phase II

Note: some agencies allow Phase II applications by request only

# ELIGIBILITY\*

1. For-profit small business concern
2. Less than 500 employees including affiliates
3. Independently owned and operated primarily in USA
4. 51% owned and controlled by one or more individuals who are U.S. citizens or permanent residents
5. Research must be performed in the U.S.



\*at the time of award; not required at time of application





# AGENCIES

## SBIR and STTR Participants

Department of Defense\*

National Institutes of Health\*

National Aeronautics and Space  
Administration

Department of Energy

National Science Foundation\*

## SBIR Participants

Department of Homeland Security

Department of Agriculture

Environmental Protection Agency

Department of Transportation

Department of Commerce

\* FUND MEDICALLY RELATED PRODUCTS





# SOLICITATIONS

	<b>Open</b>	<b>Submit</b>	<b>Close</b>
NIH SBIR Contracts	Aug-12	Aug-12	Nov-12
NSF SBIR	Mar-12	May-12	Jun-12
DoD SBIR 2012.2	24-Apr-12	24-May-12	27-Jun-12
DoD STTR 2011.A	26-Jan-12	27-Feb-12	28-Mar-12
NSF STTR	Jul-12	Oct-12	Nov-12
NIH SBIR/STTR	Jan-12	Mar-12	5-Apr-12 5-Aug-12 5-Dec-12



NOT JUST A FUNDING MECHANISM

PART OF YOUR FUNDING  
STRATEGY

SBIR → Angel → VC

# FASTTRACK

## PROS

- No Phase II application
- Farther along in development

- WHAT IS FASTTRACK?
- PHASE I & II combined
- Not all agencies allow

## CONS

- Few awarded
- Previous grant awardee
- Phase I still evaluated



# WHEN

- **In the product life-cycle?**

Proof of Concept to Alpha Prototype  
Product 2.0 to Product 3.0

- **To apply?**

Application to Award = 10 mos.

# TEAM

## Who should be the PI?

Faculty, Post-doc, recent Ph.D. graduate

## Consultants?

Faculty, Industry Representative

## Letters of Support

Potential Investor or Customer or Partner



# ADMINISTRATIVE DETAILS

- **Forming a corporate entity:**
  - LLC or C-corp?
  - Partners and their equity position
  - Patent holders and royalties
- **Electronic Registration**
  - [www.grants.gov](http://www.grants.gov)
  - NIH eRA commons
- **Center for Scientific Review**
  - SBIR Special Emphasis Panel
- **Budget - Allowable and Unallowable costs**
  - Subcontract - 1/3 or 2/3 or grant?



# GRANT PREPARATION

Not just an **academic grant**

Not just a **business plan**

Who is your audience?

**Did you define?**

Market

Potential Customers

Commercial Significance of Solution



# REFERENCES

- Grants.gov <http://www.grants.gov>
- SBIR Gateway <http://www.zyn.com/sbir/>
- SBIR GA <http://www.sbirga.com>

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