



Investing in Promising Technologies

# Federal Funding for Innovative Technologies



## **SBIR/STTR**

Small Business Innovation Research/  
Small Business Technology Transfer

# PAVING THE WAY FOR

The Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) program comprises a \$2.3 billion market for research and development projects leading to commercialization. This federal program is designed to benefit entrepreneurs and small businesses developing innovative products and services that, upon commercialization, stimulate the U.S. economy.

Since 1982, the SBIR/STTR program has enabled thousands of small businesses to compete for federal research and development awards. The contributions of these small businesses have enhanced the nation's defense, protected the environment, advanced healthcare, and improved the ability to manage and manipulate data.



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*"The SBIR program is our first line of R&D funding at Peregrine Consulting. Without it we would not have been able to develop our technology and provide jobs to the skilled technical people we now employ."*

*Our success in getting funded for both Phase I and Phase II is in large part due to the excellent assistance we received from MTI. Proposal writing advice and editing, marketing research, cost accounting, and business strategy were all provided by the Institute. MTI gave us a major leg up on the competition for these funds."*

~ David S. Stapp  
Peregrine Consulting Inc.  
Bremen, ME

## SBIR/STTR HAS A SUBSTANTIAL ECONOMIC IMPACT IN MAINE

- Since 1999 through fiscal year 2006, 54 Maine small businesses have combined for 156 awards totaling \$32 million, an average of \$3.5 million in SBIR/STTR funding coming into Maine each year.
- Nearly 50% of SBIR/STTR applicants receiving MTI technical assistance win awards.
- Small businesses in 13 of Maine's 16 counties have received SBIR/STTR funding.



# ECONOMIC GROWTH

## THE SBIR PROGRAM

Eleven federal agencies are required to reserve a portion of their annual research and development budgets for award to small businesses. The following agencies issue research and development topics and accept proposals:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Institutes of Health
- National Science Foundation

## THE STTR PROGRAM

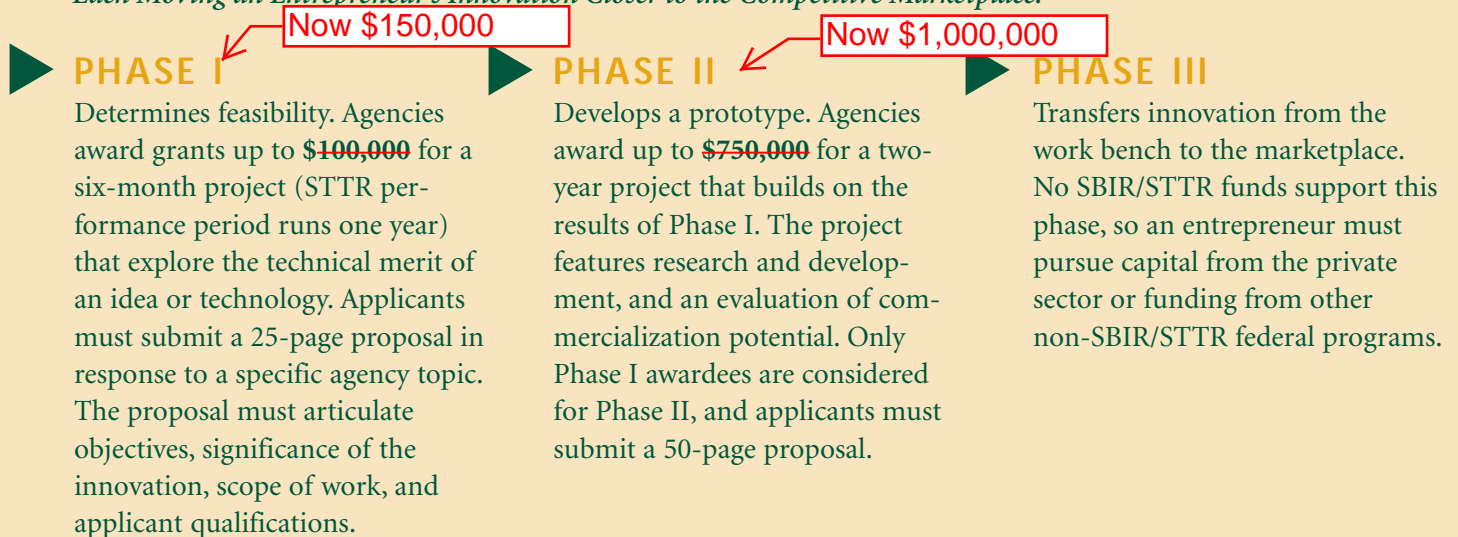
Similar to SBIR, the STTR Program requires collaboration with a non-profit research institution to transfer innovation from the research environment to the commercial marketplace. The following agencies issue research and development topics and accept proposals:

- Department of Defense
- Department of Energy
- National Aeronautics and Space Administration
- National Institutes of Health
- National Science Foundation



## THE SBIR/STTR PROGRAM CONSISTS OF THREE PHASES

*Each Moving an Entrepreneur's Innovation Closer to the Competitive Marketplace.*



## MTI ASSISTANCE FROM CONCEPT TO COMERCIALIZATION

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### TECHNICAL ASSISTANCE

MTI offers no-cost technical assistance and support to encourage entrepreneurs and small businesses to participate in the SBIR/STTR program. MTI provides advice and guidance in the areas of identifying program opportunities and preparing a high-quality proposal. MTI offers up to 20 hours of technical assistance on Phase I proposals and up to 60 hours on Phase IIs.

MTI counsels clients individually in these areas:

- An introduction to the SBIR/STTR program and identification of agency opportunities
- Proposal strategy and tactics
- Proposal editing and critical review
- Market research, accounting and commercialization planning for Phase II proposals
- Electronic submission

### FINANCIAL ASSISTANCE

MTI offers a competitive Phase 0 Grant to stimulate and support small business participation in the SBIR/STTR program. Awarded on a rolling basis, Phase 0 Grants provide up to \$5,000 and require a dollar-for-dollar match by the applicant.

Funds can be used for direct costs associated with the preparation of Phase I or Phase II proposals. These costs include market research, in-state travel to develop business partnerships, consultant services, and proposal preparation and review. Phase 0 projects must end with submission of a completed SBIR/STTR proposal.



*“Our Phase 0 award provided us with the support, motivation and necessary resources to assemble a successful SBIR Phase I application. The research done with our SBIR award was essential to developing our engineered open-ocean net pen technology and proving its commercial potential. I’ve been in business for over thirty years now, and not until my recent experience with MTI have I been compelled to ask for or received such professional and helpful support from an agency.”*

~ Steve Page  
Ocean Farm Technologies Inc.  
Searsmont, ME

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## SMALL BUSINESS QUALIFICATIONS

To participate in the SBIR/STTR program, a small business must exhibit these qualities:

- American-owned and independently operated
- For-profit company with no more than 500 employees
- Principal Investigator employed by the small business (STTR permits the Principal Investigator to be employed by the research institution.)

## WHY PARTICIPATE?

- No repayment of grant money
- The small business retains intellectual property rights
- Grant money can be used as matching funds for an MTI development award
- MTI provides no-cost assistance on proposal preparation

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*“SBIR has been and continues to be hugely important to our company. We would not exist today if it weren't for SBIR grants. MMQCI was started with a combination of SBIR and MTI funds.*

*The Institute's proposal-writing workshops were key in helping us obtain more than \$1.6 million in SBIR funding. The funds supported the development of our first products, which are now headed for commercialization.*

*The proposal submission and subsequent grant administration is an arduous process, but the experience is valuable in learning to run a technology-based company. MTI has been very helpful in finding us quality contacts to assist with the SBIR process.”*

*~ Joan Gordon,  
Maine Molecular  
Quality Controls Inc.  
Scarborough, ME*



## MAINE'S SBIR/STTR ACTIVITY IS BEING RECOGNIZED NATIONALLY

*"On a per capita basis, Maine, along with Wyoming and Hawaii, outperforms the rest of the country in USDA SBIR/STTR funding."*

~ Charles Cleland  
USDA National Program Leader

*"In fiscal year 2005 Maine ranked second among 19 states with an award-to-proposal conversion rate greater than the national average of 16.4 percent. Maine's average for that year was 27.3 percent."*

~ State Science and Technology Institute  
[www.ssti.org](http://www.ssti.org)

In 2006 Karen West, MTI's SBIR/STTR consultant, received a national Tibbetts Award in recognition of her efforts assisting Maine companies secure SBIR/STTR awards. David Erb, of Tex Tech Industries, an innovative textile and fabrics manufacturing company in North Monmouth, also received a Tibbetts Award for the company's SBIR/STTR funded R&D activities.



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## WHAT MTI EXPECTS OF SMALL BUSINESSES

In return for receiving financial or no-cost technical assistance, MTI requests that clients actively participate in activities that improve the effectiveness and value of the Institute's SBIR/STTR services. These activities include the following:

- Involve MTI on a technical review of at least two drafts of a proposal prior to submission
- Provide MTI with an entire copy of the final proposal
- Inform MTI of an agency decision and, in the case of declination, a copy of the debrief report
- Lend experience and expertise to MTI's ongoing outreach effort
- Participate in surveys and related data-gathering initiatives