



Think Your Company is Too Big for SBIR Funding? Think Again.

More than \$2 billion in R&D grants and contracts is awarded every year to innovative small companies by eleven federal agencies through the SBIR and STTR programs. It's generally (mistakenly) believed that these two programs ...Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) ... are only for early-stage companies. While it's true that the majority of awards go to companies with fewer than 25 employees, **any** company with less than 500 employees is eligible to compete, assuming they also meet the other eligibility requirements. Here's just a glimpse of the 2015 awards made by the largest agencies:

SBIR/STTR Awards in 2015 by Agency

Agency	Number of Awards	\$ (millions)
Department of Defense	2,536	995
Health & Human Services	1,362	783
Department of Energy	408	201
NASA	522	163
National Science Foundation	411	130

It's a fact the money's out there. But why should more established companies investigate SBIR/STTR as an opportunity and what do they need to be successful?

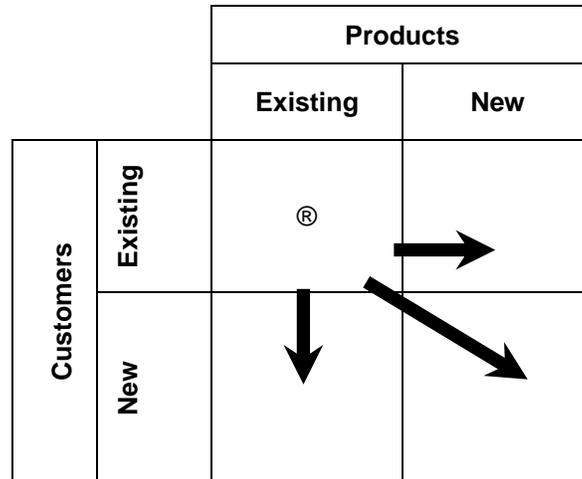
The SBIR/STTR programs are all about innovation and commercialization. Established small businesses know how to commercialize a product or they wouldn't be "established." They exist today because they excel at serving the needs of their customers. That experience gives them a decided advantage over companies that are still developing their first product or service.

The more important question is how do more established companies rate on the innovation scale? To answer that question each company should evaluate its capabilities and track record. Does it actively engage in research and/or new product development? Have these activities resulted in marketable products? Does the company have experience in-licensing technology? Has it ever collaborated with a university or other research organization?

Expertise in new product development is essential for companies to be competitive in SBIR/STTR. Assuming that capability exists, a company can use these programs to supplement their internal R&D budget or to partially fund diversification into new business areas.

Possible scenarios for diversification include:

- High-risk/high-reward projects that do not meet the criteria for internal funding
- Development of a new technology that is in-licensed
- A new product idea that is being jointly developed with another company



Innovation implies technical risk. If there's no risk involved, the project is primarily an engineering exercise and outside of the scope of SBIR/STTR. Remember, whether the project succeeds or fails, the SBIR/STTR award need not be paid back ... and if any new intellectual property is created it belongs to the company.

This federal funding might be “free” money but it’s not “easy.” Companies should plan to spend significant time and energy in learning the rules of the game, identifying the appropriate projects and collaborators, and writing a competitive proposal. Fortunately, help is available. The State of Michigan funds an SBIR/STTR assistance program through BBCetc that can provide support at every step of the process. To learn more, your first step is to visit www.bbcetc.com.

About BBC

BBCetc is a results-driven, nationally recognized entrepreneurial consulting group specializing in helping emerging companies win SBIR/STTR funding and using it strategically to propel growth. BBC-assisted proposals have a success rate 2-3 times the national average. BBCetc clients have been awarded over \$183 million in funding since 2002. Through training courses and one-on-one consulting, experienced and passionate staff members guide client companies through the entire entrepreneurial continuum of proposal preparation, grant management, business planning and commercialization, and obtaining follow-on funding.

About the Author

Michael Kurek, Partner, BBCetc has spent more than 30 years developing technology-based businesses and 10 years helping them secure SBIR funding for R&D.