Small Business Grants

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Are There Really Grants

- Yes, but …
- Less than 1.5% of all start ups get a grant
- SBIR/STTR’s
  - Promote technological innovation
  - Investment of Federal research funds
  - Only for small businesses
WHAT ARE THEY?

- Two important sources of early-stage funding for technology firms:
  - Small Business Innovation Research (SBIR)
  - Small Business Technology Transfer (STTR)

- These highly competitive federal programs provide over $2 billion in grants or contracts to small businesses offering potential solutions to R&D needs identified by the participating federal agencies.
11 federal agencies are required to reserve 2.5% of R&D funds annually for SBIR awards.

5 federal agencies are required to reserve 0.30% of R&D funds annually for STTR awards.

Solicitations (calls for proposals) are issued at different times of the year by each agency. Guidelines for how to apply for the grants are provided on each agency’s Web site.
SBIR Qualifications

Eligibility Requirements for SBIR

- For-profit U.S. business
- Small business located in the U.S.
- 500 or fewer employees
- Principal Investigator’s primary employment with small business during the project
- At least 51% U.S. - owned by individuals and independently operated
STTR Qualifications

Eligibility Requirements for STTR

- Same as for a SBIR, plus:
  - Formal cooperative R&D partnership with U.S. non-profit research center or university
  - Project effort minimum 40% by small business; minimum 30% by non-profit
  - Intellectual property agreement providing rights for company to commercialize
PROGRAM PHASES

- **PHASE I** – Feasibility Study
  - $150K & 6 month (SBIR) or 12 month (STTR)

- **PHASE II** – Full research/R&D/Prototype
  - $1 Million and 2 year award (both)

- **PHASE III** – Commercialization
  - Non-SBIR/STTR funds
FLORIDA’S PHASE 0 PROGRAM

- Administered by Enterprise Florida
  - www.eflorida.com/phase0

- Why the Phase 0 Program
  - Create awareness of SBIR/STTR program
  - Increase opportunities for Florida companies
  - Florida very low on successes on Phase 1
  - $3000 Grant to help Florida small businesses

- Results of Florida’s Phase 0
  - 44 Phase 0 Awards
  - 13 from the Tampa Bay Area
FLORIDA’S PHASE 0 PROGRAM

- **Eligibility Criteria**
  - Client of a partnering organization
  - Recommended by partnering organization
  - Intends to submit proposal for specific SBIR/STTR solicitation
  - Has not submitted more than 1 other Phase 0 in past 12 months
  - Has not been awarded a Phase 1 in the past five years
FLORIDA’S PHASE 0 PROGRAM

- Participation Fee
  - Non-refundable application fee of $250

- Award Amount
  - Up to $3,000
    - Half at signing agreement
    - Other half at end of agreement
FLORIDA’S PHASE 0 PROGRAM

**Application:** Company submits an application with the $250 fee and the incubator/technology transfer office transmittal form. **Must be within five (5) weeks prior to the target SBIR solicitation closing date.**

**Assessment:** Technology Fit/Innovativeness Assessment performed by Lytmos Group LLC. within five (5) working days of the applicant company’s completion of Lytmos intake information.

**Award:** Steering Committee votes on awarding Phase 0 grant within five (5) working days of completion of the Lytmos Assessment.

**Contract:** An approved company submits budget, budget narrative and timeline and executes a contract with Enterprise Florida, Inc.
SOME FACTS

- On average, 1 out of 10 Phase I proposals are funded. The payoff for successful proposals, however, is high.

- Phase I proposals are open competitions; Phase II proposals are invitation-only from the agency that awarded the Phase I.

- Since the awards are grants or contracts, the money does not have to be paid back and no equity is taken by the government.

- The small business owns rights to the intellectual property.
IS IT RIGHT FOR YOU?

- Does it fit your short-time and long-term business strategy?
  - product development cycles
  - doing business with the government
  - balancing commercial and government

- Is it the appropriate capital strategy at the right time?
BENEFITS

- Technology development funding
- Can lead to additional funding sources
- Facilitates development of partnerships
- No interest or equity required
- Forces discipline and focus in development
- Forces focus on commercialization
- Immediate customer
- Establishes **sole source position**
GET HELP!

- Navigating program requirements/process
- Proposal preparation
  - Market analysis
  - Commercialization strategies
  - Service providers
  - Partnerships
  - Communications
GET HELP!

- **Useful websites:**
  - [www.sba.gov/sbir](http://www.sba.gov/sbir) and [www.zyn.com/sbir](http://www.zyn.com/sbir)
- Register your company with [www.grants.gov](http://www.grants.gov)
- Attend a SBIR/STTR workshop or the National Conference
- Contact the Program Manager
- Get professional assistance:
  - Grant Writers
  - Grant Editors
Contact

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