

SBIR-STTR Programs Transcript

Introduction



Notes:

Ready to learn about SBA's Investment and Innovation Programs? Click Begin to start.

SBIR and STTR



SBIR/STTR programs are the nation's largest source of non-diluted, early stage research and development, or R and D, funding for small business. SBIR is The Small Business Innovation Research program and STTR is Small Business Technology Transfer, and while both are structured similarly, they each have unique characteristics. Click one of the programs to get started.

Additional Resources



That was a ton of information about the SBIR and STTR Programs! For even more information, check out these great resources on the SBA Partner Training Portal, or visit SBA.gov's Innovation pages!

SBIR

Small Business Innovation Research



The graphic features three icons at the top: a trophy labeled 'Highly Competitive', a building labeled 'Domestic Small Businesses', and a clipboard labeled 'Federal R&D'. Below these is a blue banner with the text 'Small Business Innovation Research (SBIR)'. Underneath the banner, the text reads: 'Goals: Stimulate technological innovation, meet federal research and development needs, and foster the participation of the private sector in federal R & D.' A small circular icon is in the bottom left corner.

Like STTR, the Small Business Innovation Research (SBIR) program is a highly competitive program that encourages domestic small businesses to engage in Federal Research and Development that has potential for commercialization. The goal of the program is to stimulate technological innovation while meeting federal research and development needs and fostering the participation of the private-sector in federal R and D.

How does SBIR work?



The graphic shows logos for the U.S. Department of Energy, NSF, NIH, and the Department of Defense. Below the logos is a blue banner with the text 'How Does it Work?'. Underneath the banner, the text reads: 'R&D budgets exceeding \$100 million 2.9% to fund SBIR awards'. A small circular icon is in the bottom left corner.

Federal agencies like Department of Energy, the National Science Foundation, the National Institutes of Health, Department of Defense and others who have extramural R and D budgets that exceed 100 million dollars set aside 2.9 percent of that budget to fund SBIR awards. Each agency identifies their desired topic area in a solicitation, reviews the submitted proposals and then makes awards.

What Happens When an Award is Made?



Similar to the STTR program, the SBIR program is broken into three phases. So, after an award is made, the awardees begin Phase I of the program. In this phase, awardees are normally given around \$150,000 for 6 months to conduct their proposed R and D. Awardees must prove the technical merit, feasibility, and commercial potential of their work in order to receive funding for Phase II, which averages around 1 million dollars for 2 years, but varies by agency. In this phase, awardees continue the R and D efforts in Phase I by following their proposed project plan.

Phase III is where things get interesting. SBIR does not fund this phase. Some federal agencies may independently provide additional funds for follow-on work that would ultimately be used by the U.S. Government. The focus of the third phase is for the small business awardees to pursue commercialization from the results of their activities in Phases I and II.

Why is the SBIR Program Significant?



Since 1982, the SBIR program has helped tens of thousands of small businesses receive federal funding which have ultimately enhanced the nation's defense, protected our environment, advanced health care, and improved our ability to manage information and manipulate data. In 2014 alone, more than 5,000 small businesses received SBIR awards.

STTR

Small Business Technology Transfer



Similar to the SBIR Program, the Small Business Technology Transfer (STTR) program expands the funding opportunities in the federal innovation research and development (R&D) arena. The unique component of this program is that small businesses must formally collaborate with a nonprofit research institution in Phase I and II in order to help bridge the gap between science and commercialization of the resulting innovations.

How Does STTR Work?



Federal agencies with extramural research and development budgets that exceed \$1 billion are required to reserve 0.4% for STTR awards to small businesses. They then solicit small businesses for topics, receive proposals from small businesses and make awards. Five agencies currently participate in the program, including Department of Defense, Department of Energy, Department of Health and Human Services, National Aeronautics and Space Administration, and National Science Foundation.

What Happens When an Award is Made?

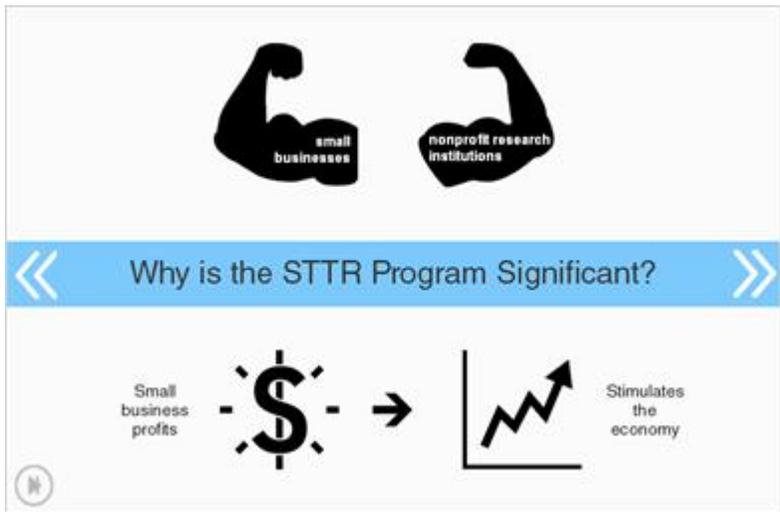


Like SBIC, the STTR program has 3 phases.

After an award is given, the awardee is normally granted around \$150,000 for six months to a year to prove their technical merit, feasibility, and commercial potential. If the awardee proves their merit in Phase I, they receive Phase II funding. The funding is based on the results they achieved in Phase I. Phase II awards average \$1,000,000 for 2 years, but vary by agency.

Similar to SBIR, STTR does not fund Phase III. It is up to the Federal agency to provide follow-on funding for additional R&D or production contracts for products, processes, or services that will be used by the U.S. Government. The purpose of this phase is for the small business to pursue commercialization of the work they did in Phase I and II.

Why is the STTR Program Significant?



STTR brings the strengths of both small businesses and nonprofit research institutions together to help transfer innovative technologies and products from the laboratory to the marketplace. The small business profits from the commercialization, which in turn stimulates the economy. It's truly a win, win, win. And, in 2014 there were over 700 awards made in Phase I and Phase II.