

SBIR/STTR Program Opportunities: An Overview

SBIR and STTR are highly competitive programs intended to encourage small business technological exploration and provides incentive to profit from commercialization.

Competitive Opportunity for Small Business

SBIR targets the entrepreneurial sector because most innovation and innovators thrive there, and the risk and expense of conducting R&D are often beyond the means of small business. By reserving a specific percentage of federal R&D funds for small business, SBIR enables small business to compete on the same level as a larger business. SBIR funds the critical startup and development stages and encourages the commercialization of the technology, product, or service. Through this process, federal funds are used to stimulate the U.S. economy.

SBIR Eligibility Criteria

Small businesses must meet certain eligibility criteria to participate in the SBIR program. They must be:

- American-owned and independently operated
- For-profit
- Employer of the Principal researcher
- Size limited to 500 employees or less

SBIR System

Eleven federal departments and agencies are required to reserve a portion of their R&D funds for SBIR awards to small business. These agencies designate R&D topics, accept and review proposals. Following submission of proposals, federal agencies make SBIR awards based on small business qualifications, degree of innovation, technical eligibility merit, and future market potential. Following the award, the small business begins a three-phase program.

SBIR Three-Phase Program

- **Phase I Startup/Feasibility** Awards **of up to \$100,000** for approximately 6 months support exploration of the technical merit or feasibility of an idea or technology.
- **Phase II R&D** Awards **of up to \$750,000**, for up to 2 years, expands results from the first phase. R&D work is performed and the developer evaluates commercialization potential. **Only Phase I award winners are considered for Phase II.**
- **Phase III Commercialization** Innovation moves from the laboratory to the marketplace. No SBIR funds support this phase. The small business must find funding in the private sector or other non-SBIR federal agency funding.

For more information on the SBIR/STTR Program, go to <http://www.sba.gov/SBIR/indexsbir-sttr.html>

For information on upcoming SBIR/STTR training events, go to <http://www.sbirworld.com>

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