Dispelling SBIR/STTR Funding Myths and Misconceptions for University-Based Innovations

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Dispelling SBIR/STTR Funding Myths and Misconceptions for University-Based Innovations

Site for basic SBIR/STTR webinars and powerpoint presentations from all funding sources:

http://www.sbir.gov/content/sbir-webinars-posted-online
Every program officer/manager is different. Even though NIH, NSF, and DoD have their own set of rules, the POs have latitude in how they apply those rules. This presentation is based on my own experience, not on what I have heard or read.

My comments refer to the vast majority of cases, there are sometimes exceptions to broad statements.
General Overview for Deciding if an SBIR/STTR is Right for You

- Be ready to commit at least 100 hrs to your first proposal
- Vet your idea and then have a professional vet your idea
  
  10 fold better-not just a great product
  (DoD: just give them what they want)

- NIH will fund any great project that is health oriented
- NSF is more selective in health and non-health related projects
- DoD only funds what they specifically ask for
Common misconceptions regarding the application criteria for SBIR/STTR funding within:

NIH  DoD  NSF
## Two Common Myths

<table>
<thead>
<tr>
<th>Myth</th>
<th>NIH</th>
<th>NSF</th>
<th>DoD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product that will make millions will get funded</td>
<td>myth</td>
<td>myth</td>
<td>Not relevant</td>
</tr>
<tr>
<td>I need to make what they specifically ask for</td>
<td>myth</td>
<td>myth</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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The confusion about the differences between STTR and SBIR funding

Myth: there is a major difference to my company

There is little meaningful difference to your company.

The use of STTR vs SBIR is a practical matter only.

➢ Do you need a PI who is at a non-profit?
➢ Do you need to do a lot of the work at a non-profit?

Generalization: For NIH & DoD, no advantage to including academia.
NSF, definitely include academia.
Requirements for Phase I, II, and III funding

Myth: there is no Phase III SBIR funding

**NIH:** can fund all the way to commercialization if you know what you are doing

**NSF:** can fund all the way to commercialization if you know what you are doing

**DoD:** depends
No Preliminary Data Required

Myth: preliminary data will not help you get funding

**NIH:** you are better off with solid prelim data for Phase I
NIH reviewers are risk averse

**NSF:** you are better off with solid prelim data for Phase I
NSF reviewers are risk takers

**DoD:** you are better off with solid prelim data for Phase I
DoD reviewers are risk averse
Company size

Myth: a one or two person company cannot get funded

**NIH:** myth

**NSF:** myth

**DoD:** myth
Research Institute Involvement

Myth: must have academia involved

**NIH:** myth

**NSF:** do not have to, but it helps a lot

**DoD:** myth
Company Control/use of Research Facility

Myth: must have your own lab

**NIH:** myth

**NSF:** myth

**DoD:** reality
Company’s Physical Presence

Myth: virtual companies cannot get funding

**NIH:** myth

**NSF:** myth

**DoD:** reality
Principal Investigator role/effort/employment

Myth: PI must spend majority of time on the project

NIH: myth only 10% of their time

NSF: myth only ~17%

DoD: myth varies but <20%
VC Participation

Myth: No VC involvement is allowed

**NIH**: myth

**NSF**: myth

**DoD**: myth
Education Level of Applicant

Myth: you need a PhD or MD

**NIH:** myth

**NSF:** myth

**DoD:** myth

*Previous successes at similar projects trumps education level.*
Demographics Give a Meaningful Edge

Myth: gender, ethnicity, race, etc. give an edge

**NIH:** myth

**NSF:** myth

**DoD:** myth
What makes a Project Fundable

Myth: a better product that makes millions will get funded

Myth: I have a great new method, but no specific application, but I will find one

Myth: I will focus on multiple uses for my product

NIH: myth  NSF: myth  DoD: myth
Academic Experimental Design vs SBIR Experimental Design

Myth: Must be academic/science oriented with hypothesis testing

**NIH:** myth

**NSF:** myth

**DoD:** myth

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**Do this:**

We expect that mice treated with NB125 will have cholesterol levels that are at least 25% lower than the control group.

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**Avoid this:**

We hypothesize that NB125 will result in a decrease in activity of CYG24, thus decreasing cholesterol levels in mice fed a high fat diet.
Intellectual Property

**Myth:** You need an issued patent

**NIH:** myth

**NSF:** myth

**DoD:** myth

You do need a plan to protect your company.

Get a provisional patent submission or licensed/ negotiating a license (letter) or © for software, with plan for protection.
The Budget

Myth: Must stick to the budget

**NIH:** myth  talk to program person

**NSF:** reality

**DoD:** reality
Preliminary Data and Experimental Detail

Myth: You do not need either one

**NIH:** myth

You must have preliminary data or published data to give yourself the best chance of success.

**NSF:** myth

You must have sufficient experimental detail to allow the reader to analyze the scientific and technical merit. Cite published methods, but give unpublished methods.

**DoD:** myth

Give experimental design, statistical analysis, and power analysis.
Market analysis for Phase I

Myth: You need an extensive analysis

**NIH:** myth  ➔ Short and high level to establish that there is a market.

**NSF:** myth  ➔ You need to be reasonably thorough, but not overboard. More thorough than NIH, but just enough to establish that you have a solid market and understand how to commercialize the product.

**DoD:** myth  ➔ Clearly establish the military significance and civilian market.
Writing Style
(This is not a thesis, it is an SBIR proposal)

Myth: You need complex science speak

**NIH:** myth

Write in short sentences.
Write at a 10th grade level, in terms of word usage.

**NSF:** myth

Only include the key points that are needed to establish the logic of the proposal.

**DoD:** myth

Cite the minimum number of references needed to make a point.
Coming Up with a Title

Myth: I need a complex all encompassing title

NIH: myth

Do this: A novel method for detecting stress fractures in metal.

NSF: myth

Avoid this: The use of ultra high-frequency Cr4+ terahertz diode laser diffraction based interrogation methods to detect nanofractures in airplane wings in under two milliseconds.

DoD: myth
Getting Funded

Myth: SBIRs are difficult to get

**NIH:** myth

Easy to get. I get about $20 million in grant funding per year and I am only one person.

**NSF:** myth

Most proposals have no business being put in, so you have a 60% shot if you have a good idea, a solid team, and a solid experimental plan.

**DoD:** myth

With good writing/presentation you have an 85% chance.
Getting Funded is not Luck

Make sure you have a winning idea—10 fold better.

Make sure you have a top notch team: all areas covered.

Make sure you have a top notch experimental design.

Make sure you have an easy to read and logical presentation.

Be Ready to Commit 100 Hours
Most Basic SBIR/STTR Information is Easily Available online

Google: SBIR “topic” “agency name”

Still not finding the info? Try different order and different topic word. Also, follow the search with “powerpoint”