

Looking for R&D Seed Capital?

SBIR can help your company navigate the road to success.

The Department of Defense SBIR program funds over \$1 billion each year in Research and Development -- projects that serve a DoD need and have commercial applications -- and is your gateway to billions of dollars more in the defense market.

The DoD SBIR program is the largest public source of early stage high risk funding for small technology companies -- typically before companies can attract venture and other sources of capital.

The DoD SBIR program:

- captures the entrepreneurial spirit of our nation's small technology companies;
- stimulates high-tech innovation;
- enhances our national defense capabilities and economic strength;
- meets the government's research and development needs.

Small businesses:

- retain the intellectual property rights and full equity ownership;
- develop working relationships with government labs and research centers;
- establish a strong marketing position with the government;
- gain credibility with the marketplace and potential investors.

"The most important piece of small business legislation yet enacted in our lifetime"

-Inc. Magazine

How can I learn more?

For more information about DoD's SBIR and STTR programs,

- visit our websites at:
www.acq.osd.mil/osbp/sbir/
www.dodsbir.net
- contact our Help Desk at:
1-866-SBIRHLP (866-724-7457)
- join our listserv at:
www.dodsbir.net to be notified about solicitations and program changes



Department of Defense
Small Business
Innovation Research

WHAT CAN DO D
SBIR
DO FOR YOU?

What is SBIR?

The **Small Business Innovation Research (SBIR)** program is a federal program created to strengthen the role of small businesses in federally funded research and development (R&D) while providing the government with innovative technical and scientific solutions to challenging problems.

Eleven federal agencies set aside a portion of their R&D budget for SBIR contract awards to small businesses. The Department of Defense is the largest of these agencies.

The SBIR Program provides R&D funding to a broad range of small businesses, from start-up firms to established small high-tech companies with commercial track records. This highly competitive program encourages small businesses to leverage their technological capability to its fullest potential by providing seed capital, without requiring reimbursement or equity in the company. In return, small businesses provide the innovative technological “know-how” to meet Defense needs of today and tomorrow.

SBIR shares with small businesses the risk normally associated with startup and development stages of R&D so our military will have the advantage of cutting-edge technology. Companies also benefit by gaining a foothold in the Defense market for the products and services developed under SBIR. Companies retain the intellectual property rights, including copyrights, trademark and patent rights, to any inventions developed under SBIR. The DoD reserves the right to royalty-free government use of the technology, which usually involves purchasing the products from the inventing company.

The DoD SBIR Program is aligned with the Defense Critical Technology Areas and many acquisition programs that are potential important customers for new products resulting from SBIR projects.

How is SBIR set up?

SBIR is a competitive three-phased program.

Phase I determines the scientific, technical, and commercial merit and feasibility of the ideas submitted. Phase I contracts are typically \$100,000 over a period of 6 to 9 months.

Phase II is the major R&D effort, funding the prototyping and demonstration of the most promising Phase I projects. Phase II contracts are up to \$750,000 and usually span 24 months.

Phase III (commercialization) is the ultimate goal of the SBIR program. Small businesses are expected to obtain funding from the private sector or government sources outside the SBIR program to commercialize the Phase II project for sale in the military and private sector markets.

Phase I and Phase II awards are posted at www.dodsbir.net/awards, generally 6 months after selection.

DoD Component Programs

The DoD SBIR program consists of twelve components:

- Department of the Army
- Department of the Navy
- Department of the Air Force
- Defense Advanced Research Projects Agency (DARPA)
- Missile Defense Agency (MDA)
- Defense Threat Reduction Agency (DTRA)
- National Geospatial Intelligence Agency (NGA)
- U.S. Special Operations Command (SOCOM)
- Chemical Biological Defense (CBD)
- Office of Secretary of Defense (OSD)
- Defense Logistics Agency (DLA)
- Defense Microelectronics Activity (DMEA)

These components identify topics for the DoD SBIR solicitations, which invite small businesses to propose their scientific and technical solutions, and are responsible for program execution.

How do I participate?

Each year, the DoD issues three SBIR solicitations which identify hundreds of topics from the DoD components that represent serious scientific and technical problems requiring innovative solutions. The topics are available at www.dodsbir.net/solicitation.

Small businesses respond to solicitations by submitting Phase I proposals electronically at www.dodsbir.net/submission during the 4 week open period.

DoD SBIR Solicitation Schedule

	Pre-Release	Open	Close
Sol. 1	November	December	January
Sol. 2	April	May	June
Sol. 3	July	August	September

During the Pre-Release period, companies have an opportunity to discuss technical questions directly with the topic authors (contact information available on the solicitation website). Technical questions may also be submitted electronically through SITIS, the SBIR Interactive Topic Information System at www.dodsbir.net/sitis.

Who is eligible?

To participate, a company must:

- Be a small business with 500 or fewer employees;
- Be independently owned and operated and organized for profit;
- Have its principal place of business in the U.S.;
- Be at least 51% owned by U.S. citizens or lawfully admitted permanent resident aliens. In addition:
- The primary employment of the principal investigator must be with the small business.
- A minimum of 2/3 of the research work must be performed by the proposing firm in Phase I and 1/2 in Phase II.

How are proposals evaluated?

Government scientists and engineers who are experts in a particular topic area review the proposals and evaluate them based on:

- Scientific and technical merit;
- Qualifications of the principal investigator and key staff;
- Potential for commercial application.

What is STTR?

Similar to SBIR, the **Small Business Technology Transfer (STTR)** program is a 3-phased program that funds cooperative R&D between small businesses and U.S. research institutions, such as universities, Federally Funded Research and Development Centers (FFRDCs), and nonprofit research institutions. Through the STTR program small businesses and research institutions work together as a team to move ideas from the nation's research institutions to the market place, foster high-tech economic development, and address the technological needs of our armed forces.

Phase I contracts are typically for up to \$100,000 over 12 months. Phase II contracts are typically for up to \$750,000 over 24 months.

The proposing firm must perform a minimum of 40% of the effort and the research institution must perform a minimum of 30%. The principal investigator may be employed at either the small business or the research institution.

The DoD offers one STTR solicitation a year with the Army, Navy, Air Force, DARPA, MDA and OSD participating.

DoD STTR Solicitation Schedule

	Pre-Release	Open	Close
STTR	January	February	March