

Non-dilutive Government Funding for Start-ups

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December 7, 2021

SBIR/STTR Program

***\$3.6B to fund high-risk, high-return R&D
for technology development***

- Seed money - no repayment, retain equity and IP rights
- Fund collaborations and consultants
- Recognition, credibility, validation
- Leverage grant to attract other capital



Three-Phase Program

- Phase I: \$150K to >\$400K for 6-12 month feasibility study
- Phase II: \$750K to >\$3M for 2-year R&D program
 - Direct to Phase II (NIH SBIR; DARPA SBIR)
 - Fast-Track -- combined Phase I and II
- Phase III and beyond – depends on agency/ program



SBIR/STTR Program

- SBIR: Small Business Innovation Research
 - Applicant = small company
 - $\geq 67\%$ effort by small company
- STTR: Small Business Technology Transfer Research
 - Collaboration between small company and non-profit research institution
 - Applicant = small company OR institution
 - $\geq 40\%$ effort by small company, $\geq 30\%$ effort by institution



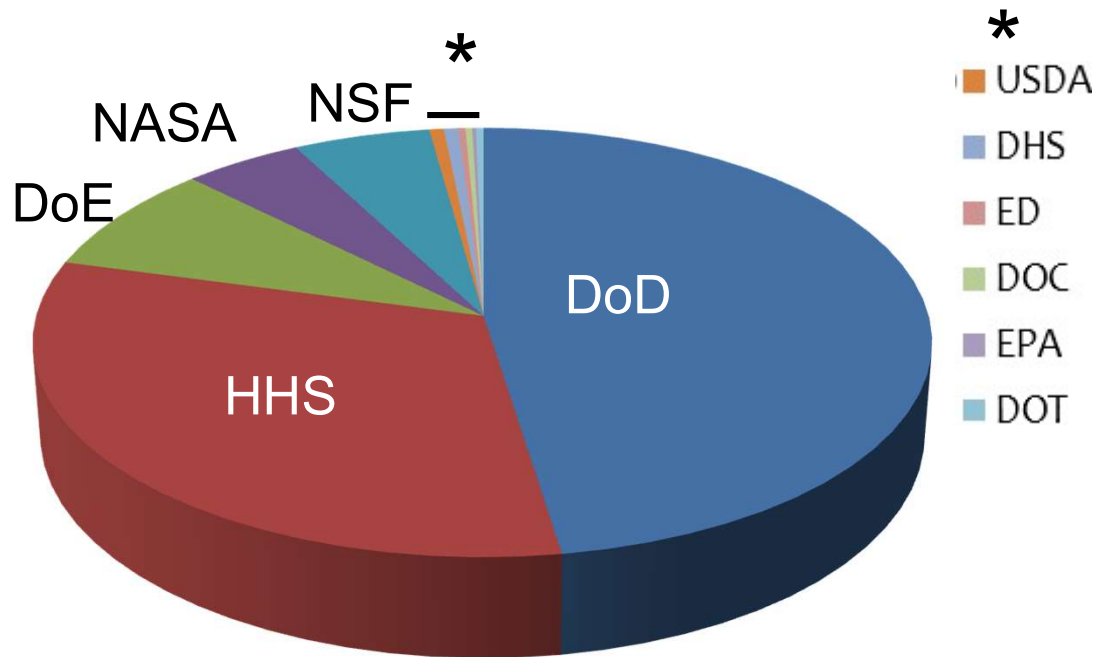
Program Eligibility

- ✓ Organized for-profit U.S. business
- ✓ ≤ 500 employees
- ✓ $\geq 51\%$ owned by U.S. citizens/permanent resident aliens
 - *Special rules* for subsidiary, joint venture or VC ownership
- ✓ Small business located in the U.S., all work done in US
- ✓ “Bootstrap” but not “virtual” company
 - PI is $\geq 51\%$ employee of applicant company and does not have another full-time job **
 - Company performs specified % of the work
 - Company has facilities it controls



Who Funds SBIR/STTR?

Total SBIR/STTR Funding By Agency



- HHS, NSF: investigator-initiated
- All others: pre-selected topics

Application Deadlines

NIH	5 Apr	5 Sept	5 Jan
DoD	21 Oct 2021	10 Feb 2022	15 Jun 2022
NSF SBIR	Continuous; 4 “windows”/yr		
Other agencies: see www.zynsys.com/sbir/			



Elements of a Successful Project

1. **Is This Really an SBIR Project?**
 - Significant?
 - Innovative?
 - Realistic commercial/regulatory strategy?
2. **Will it create change?**
 - Who benefits?
 - Customer needs?
3. **Right Project For Your Company?**
 - Worth doing?
 - Already done by someone else?

REVOLUTIONARY *not* EVOLUTIONARY



Do Your Homework

1. Select the correct funding announcement & topic.
2. Read the funding announcement.
3. Complete required online registrations (2-3 months).
4. Check the deadlines.
5. Make a plan: outline project objectives and key talking points



Insights for New Entrepreneurs

1. Business proposition
 - Commercialization, validation, regulatory, IP
2. Neat invention \neq successful product
 - Market need? customers? commercialization? competition?
3. R&D as a team sport
 - Expertise in technology, testing methods, business, product development, clinical indication, manufacturing, regulatory strategy, etc.





KEEP
CALM
AND
FOLLOW
DIRECTIONS

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Best Information Sources

1. NIH SBIR home page: sbir.nih.gov/
2. NSF SBIR home page: seedfund.nsf.gov/
3. DoD SBIR Home page:
dodsbirsttr.mil/submissions/login
4. Other agencies: zynsys.com/sbir/



Useful NIH Links

1. PA-21-260, SBIR – Clinical: grants.nih.gov/grants/guide/pa-files/PA-21-260.html
2. PA-21-259, SBIR – Non-clinical: grants.nih.gov/grants/guide/pa-files/PA-21-259.html
3. PA-21-261, STTR – Clinical: grants.nih.gov/grants/guide/pa-files/PA-21-261.html
4. PA-21-262, STTR – Non-clinical: grants.nih.gov/grants/guide/pa-files/PA-21-262.html
5. General Instructions: grants.nih.gov/grants/how-to-apply-application-guide/forms-f/sbir-sttr-forms-f.pdf
6. Sample applications: niaid.nih.gov/grants-contracts/sample-applications#r43r44
7. Program Descriptions & Research Topics: sbir.nih.gov/sites/default/files/NIH_Program_Descriptions.pdf
8. Topics qualifying for larger budgets: sbir.nih.gov/sites/default/files/NIH_Topics_for_Budget_Waivers.pdf
9. Targeted SBIR solicitations: http://grants2.nih.gov/grants/funding/sbir_announcements.htm
10. ASSIST User Guide (online application portal): era.nih.gov/files/assist_user_guide.pdf



Useful NSF Links

1. NSF 21-562, SBIR Phase I:
[nsf.gov/pubs/2021/nsf21562/nsf21562.htm](https://www.nsf.gov/pubs/2021/nsf21562/nsf21562.htm)
2. NSF 21-563, STTR Phase I:
[nsf.gov/pubs/2021/nsf21563/nsf21563.htm](https://www.nsf.gov/pubs/2021/nsf21563/nsf21563.htm)
3. FastLane Guide (online application portal):
seedfund.nsf.gov/fastlane/
4. NSF SBIR technology topics:
www.nsf.gov/eng/iip/sbir/topics.jsp



SBIR Award Databases

1. All SBIR/STTR: <https://www.sbir.gov/sbirsearch/award/all>
2. All NIH: reporter.nih.gov
3. All NSF: nsf.gov/awardsearch/advancedSearch.jsp

Good source of competitive intelligence!

