The Small Business Innovation Research (SBIR) Program was established by Congress in 1982 to fund Research and Development (R&D) through small businesses of less than 500 employees. Eligible projects must serve a Department of Defense (DOD) R&D need and have potential to develop into a product or service for commercial and/or defense markets. The DOD SBIR Program is part of a larger Federal SBIR Program administered by the Small Business Administration (SBA).

Congress established the Small Business Technology Transfer (STTR) Program in 1992. It is similar in structure to SBIR and funds cooperative R&D projects with small businesses in partnership with not-for-profit research institutions (such as universities) to move research to the marketplace.

PROGRAM GOALS

SBIR/STTR goals are designed to:
- Stimulate technological innovation in private sector
- Use small business to meet federal research and development needs
- Encourage participation by socio-economically disadvantaged firms
- Fund cooperative R&D between small businesses and research Institutions
- Bridge funding gap between basic research and the commercial marketplace

WHO’S ELIGIBLE?

SBIR
- Small businesses with 500 or fewer employees
- Independently owned and operated 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
- 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

STTR
- Small businesses with 500 or fewer employees; there is no size limit on the research institution
- Partnership with a U.S. research institution
- 40% of work performed by small business
- 30% of work performed by research institution
- Small business must manage and control the STTR funding agreement
- Principal investigator may be employed at the small business or research institution

HOW ARE PROPOSALS EVALUATED?

Government scientists and engineers who are experts in a particular area review the proposals and evaluate them based on:
- Soundness, technical merit and innovation of approach
- Qualifications of the principal investigators and supporting staff
- Potential for government or private sector application

DOD SBIR/STTR BY THE NUMBERS

- 600 topics each year
- 2,500 awards each year
- 25% of all awards are first time winners

<table>
<thead>
<tr>
<th>Phase</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I Feasibility Study</td>
<td>$163K/6 months</td>
</tr>
<tr>
<td>Phase II Prototype</td>
<td>$1.075M/24 months</td>
</tr>
<tr>
<td>Phase III Commercialization</td>
<td>Non-SBIR funds, Sale to military or commercial market</td>
</tr>
</tbody>
</table>
Each year, the DOD issues three SBIR solicitations and three STTR solicitations which identify hundreds of topics from DOD components that represent serious scientific and technical needs requiring innovative solutions.

**HOW DO I PARTICIPATE?**

Because acquiring funding through traditional lending sources continues to prove difficult in today's tight credit market, SBIR/STTR provides tech start-up companies another viable chance to compete for early-stage funding.

–CONNECT, University of California

**BENEFITS OF THE PROGRAM**

- DOD is the largest Federal SBIR Program
- DOD is both the investor and customer
- Safe way to conduct high-risk R&D
- Establish credibility with the marketplace and potential investors
- Largest source of funding for R&D to small business
- Potential to receive $1M+ in seed funding
- Retain intellectual property rights for 5 years after contract ends
- Enhance our national defense capabilities and economic strength

**BEYOND PHASE II**

Phase III work may be for products, production, services, R/R&D, or any combination thereof, including testing and evaluation of products, services or technologies for use in technical or weapon systems. DOD Supports the transitioning of SBIR Investments through:

- Commercialization Readiness Program (CRP)
- SBIR Liaisons to Acquisition Programs
- DOD Beyond Phase II Technology Showcase
- Phase II Enhancement Program
- Direct To Phase II Pilot Program
- Rapid Innovation Fund (RIF)

**PARTICIPATING DEFENSE AGENCIES**

- Department of Army (ARMY)
- Department of Navy (NAVY)
- Department of Air Force (Air Force)
- Missile Defense Agency (MDA)
- Defense Advanced Research Projects Agency (DARPA)
- Defense Threat Reduction Agency (DTRA)
- Defense Health Program (DHP)
- Special Operations Command (SOCOM)
- Chemical and Biological Defense (CBD)
- Defense Logistics Agency (DLA)
- Defense Microelectronics Agency (DMEA)
- National Geospatial Intelligence Agency (NGA)

Topics are available at: [https://sbir.defensebusiness.org](https://sbir.defensebusiness.org)

**SMALL BUSINESS RESOURCES**

- [https://sbir.defensebusiness.org](https://sbir.defensebusiness.org)
- [www.sba.gov](http://www.sba.gov)
- [www.sbir.gov](http://www.sbir.gov)
- [www.fedbizopps.gov](http://www.fedbizopps.gov)

Contact our help desk at: 1-800-348-0787 or email sbirhelp@bytecubed.com

Subscribe to our ListServ at: sbiroutreach@bytecubed.com

Follow Us on Twitter: @dodsbir
Like Us on Facebook: facebook.com/dodsbir