


# SMALL BUSINESS DEVELOPMENT CENTER



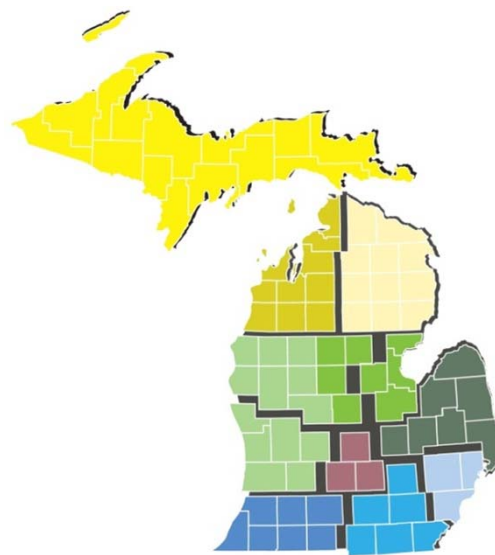
## Michigan Support for Commercializing SBIR/STTR Technologies National Academy of Sciences October 7, 2014

# The Michigan SBDC

The Michigan SBDC is funded through a cooperative agreement with the U.S. Small Business Administration (SBA), the Michigan Economic Development Corporation (MEDC) and matching funds from Local Network partners in each region.

**Michigan SBDC State  
Headquarters  
Grand Valley State University,  
Seidman College of Business**

[www.SBDCMichigan.org](http://www.SBDCMichigan.org)



[SBDCMichigan.org](http://SBDCMichigan.org)

PURE MICHIGAN<sup>®</sup>  
Michigan Economic Development Corporation





# Michigan Economic Development Corporation

Michigan's marketing arm and lead advocate for business development, talent and jobs, tourism, film, and digital media incentives, arts and cultural grants, and overall economic growth.

[www.michiganbusiness.org](http://www.michiganbusiness.org)

PURE  ICHIGAN®  
Michigan Economic Development Corporation



[SBDCMichigan.org](http://SBDCMichigan.org)

PURE  ICHIGAN®  
Michigan Economic Development Corporation





# SBIR/STTR Proposal Assistance

- Workshops (provided by BBCETC)
  - SBIR/STTR overview
  - Agency specific proposal writing
  - Grant management
  - Outreach events
- Proposal review (BBCETC and SBDC)
- Commercialization matching funds commitment (ETF)



## Entrepreneurial Training & Consulting

- Michigan SBIR/STTR assistance since 2002
  - \$149.5 Million Awarded to BBCEtc. Clients
- Recent activity - since September, 2011
  - 122 workshops/webinars
  - 1050 attendees
  - 175 companies received proposal review
  - ~\$52 Million in SBIR/STTR Awards

[www.bbcetc.com](http://www.bbcetc.com)



# Michigan Emerging Technology Fund

## Commercialization Matching Fund for SBIR/STTR

- Administered by MI-SBDC
- \$7.28 million allocated to the fund since 2008
- State match to federal SBIR/STTR awards
- Leverages federal agency vetting/peer review
- Commercialization purposes ONLY

[www.mietf.org](http://www.mietf.org)



# Michigan Emerging Technology Fund - Objectives

- Encourage companies to pursue SBIR/STTR
- Increase proposal competitiveness
- Increase commercial success
- Stimulate early stage technology investing activity



# ETF Awards

- Phase I – 25% of the federal award up to \$25,000
- Phase II – 25% of the federal award up to \$125,000
- MI-SBDC provides commitment letter
- ETF matching awards are grants
- “First come first served”





# Eligibility Requirements

- May not have more than 2 phase II awards
- Submit ETF application prior to SBIR/STTR deadline
- Raise third party commercialization funding
- Maximum ETF awards
  - 4 Phase I
  - 2 Phase II
  - No more than 2 ETF awards w/in 12 months



# Phase II ETF Matching Process

- \$125,000 maximum Phase II ETF award
- Company raises \$5,000
  - >>> MI-SBDC disburses \$40,000
- One year to raise remaining third party match
- Company raises \$120,000
  - >>> MI-SBDC disburses \$85,000



# Value Proposition to Investors

- Vetted by experts
- 2 payment process alleviates risk
- Leverage!

For your \$125,000 investment

Phase II federal award	\$750,000
------------------------	-----------

ETF state match	\$125,000
-----------------	-----------

**leverage**

**\$875,000**



# Emerging Technologies Fund Impact!\*

- Over \$55 Million in SBIR/STTR leverage
- Over \$99 Million in Third Party Leverage
- \$7.1 Million in ETF awards disbursed
- 274 FTE Jobs Created



# MI-SBDC Commercialization Assistance

- Tech Team - 9 tech consultants
  - Access to capital/resources
  - Strategic planning and execution
- Business Accelerator Fund
  - Partnership with Michigan's accelerators/incubators
  - Defined engagements with highly specialized providers



[www.sbdcmichigan.org/technology](http://www.sbdcmichigan.org/technology)



# Tech Team Impact!

- \$57,439,780 Capital Raised\*
- 176 New Jobs Created\*
- 96% satisfaction rate\*
- Over \$70 Million in SBIR/STTR since 2007

\*per 2013 MI-SBDC Tech Team Survey



# Business Accelerator Fund Impact!\*

- 165 companies served (~30 SBIR/STTR recipients)
- 152 FTE Jobs Created
- Over \$42 million in capital formation
- Over \$29 million in increased sales

# Case Study - Niowave

- Technology - superconducting electron accelerators advancements (MSU spinout)
- SBIR/STTR – 25 Phase I SBIR/STTRs (2007-2014)  
13 Phase II SBIR/STTRs (2008-2014)  
\$14,179,617 total funding primarily DOE
- ETF award – Matched first 2 Phase II awards - legal, engineering/testing, marketing, biz dev
- Results – international customer base - only company worldwide licensed to build superconducting linear accelerators in own facility - matured technology to the point where commercial markets for compact versions of these superconducting electron linacs are now viable



# Case Study - Neuvokas

- Technology - basalt fiber rebar - superior alternative to steel rebar
- SBIR/STTR – NSF Phase I
- MI-SBDC consulting – proposal review, biz plan, financial model, pitch, structuring investment
- BAF – engineering for pilot plant
- ETF award – pilot plant build out
- Results – successful capital raise and initial sales

# Case Study – Global Embedded Technologies

- Technology – Power control electronics – make systems smarter and more efficient
- SBIR/STTR – 5 phase I, 5 phase II
- MI-SBDC consulting – proposal review, strategic planning
- ETF award – marketing, trade shows, shift from R&D to product company
- Results – integration into US Army Abrams Tank, high voltage solutions sales to GE



**Phil Tepley**

**Director of Technology Commercialization Services**

**Michigan Small Business Development Center**

**734-347-0204**

**tepleyp@gvsu.edu**



[SBDCMichigan.org](http://SBDCMichigan.org)

