

SMALL BUSINESS DEVELOPMENT CENTER



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



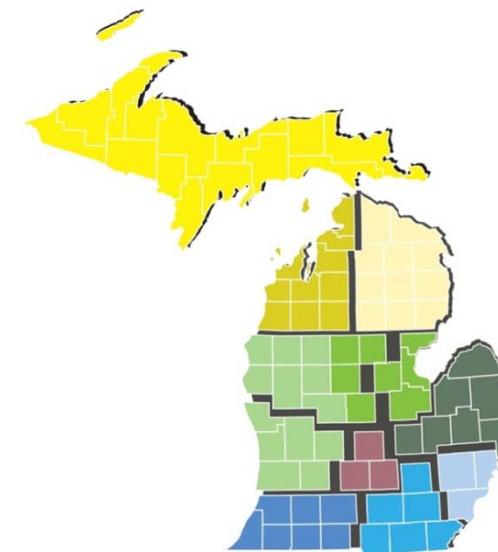
The Michigan SBDC



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



SBDCMichigan.org





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



SBDCMichigan.org





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**

A red curved line or swoosh starts from the top right and points towards the BBC Etc. logo. To the right of the swoosh is a red five-pointed star.

- Michigan SBIR/STTR assistance since 2002
 - \$149.5 Million Awarded to BBC Etc. 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



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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



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



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PURE MICHIGAN
Michigan Economic Development Corporation

SBA
U.S. Small Business Administration
Your Small Business Resource



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

*from 1/08 thru 1/14 per company reporting



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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





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



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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

*from 1/1/12 thru 4/15/14 per company surveys



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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



www.niowaveinc.com

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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



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