

Introduction to the NSF Phase IIB Program

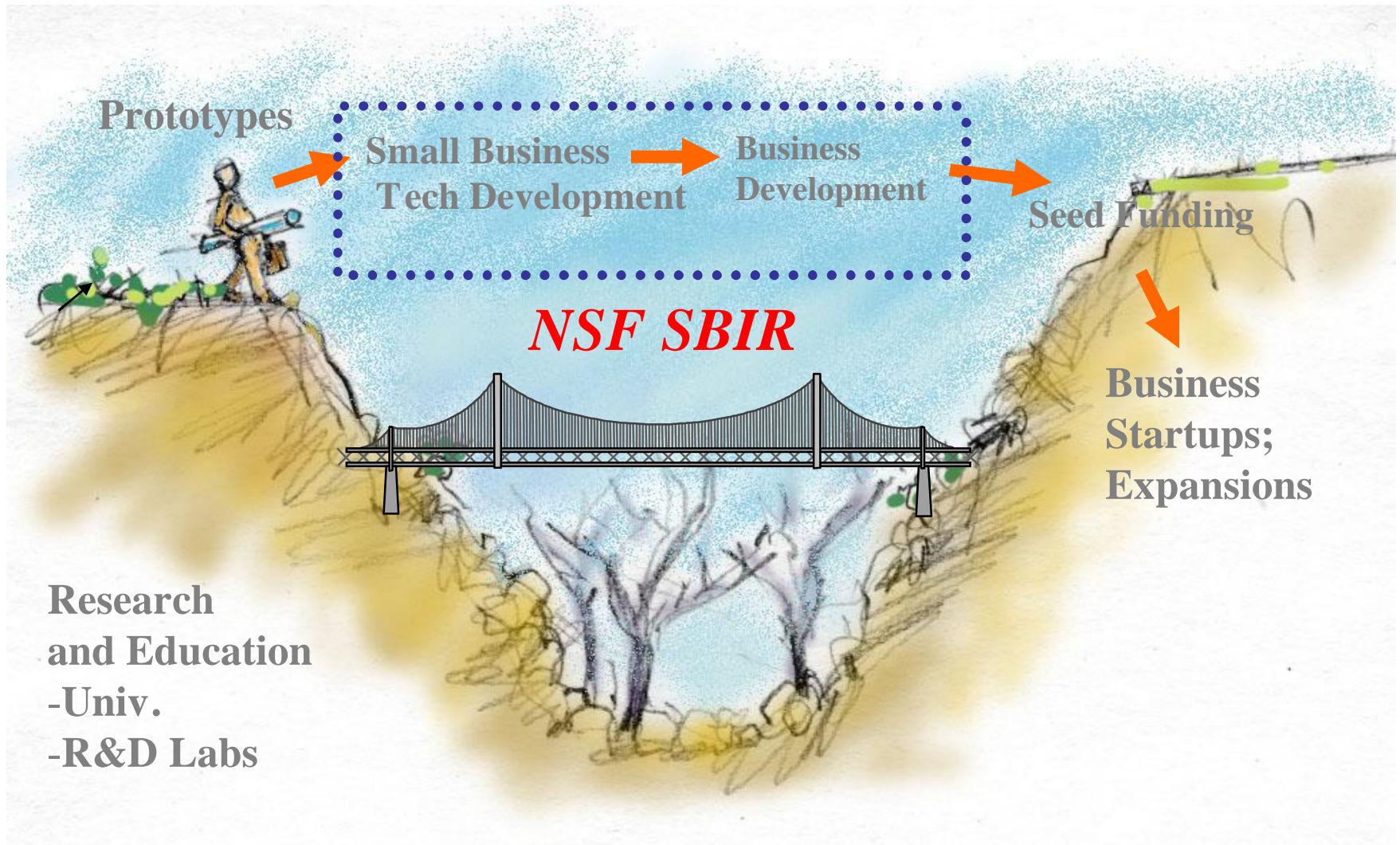
“Innovation through Partnerships”



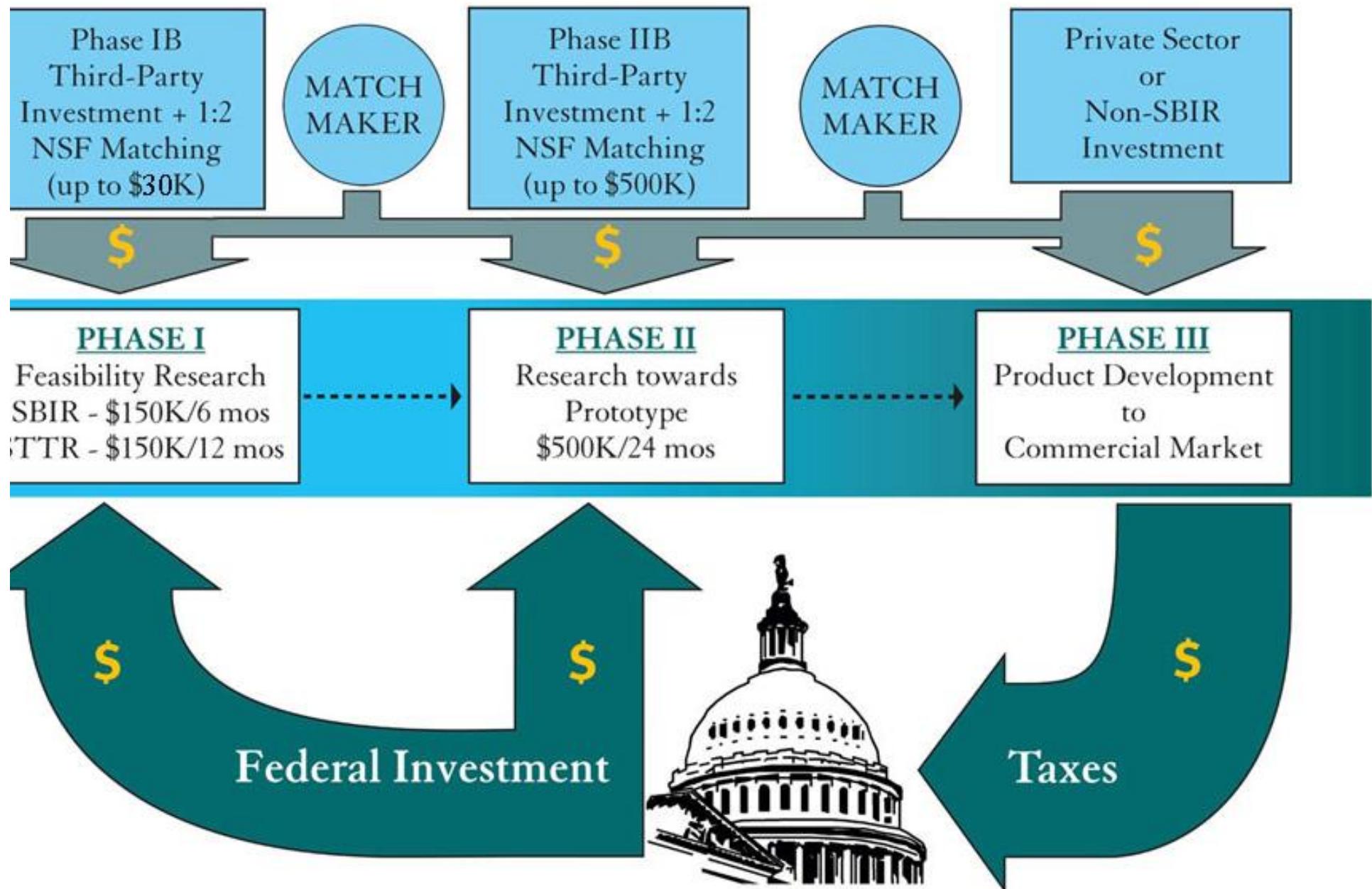
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Bridging the “Valley of Death”



NSF SBIR/STTR Innovation Model



Program Purposes

- Accelerate the transition of technology into product commercialization
- Provide an effective means to bridge the “Valley of Death”.
- Incentivize third party investors to partner with small businesses.



Program Purposes

- **Reduce government risk by additional due-diligence performed by the third party.**
- **Encourage public-private partnerships that bring products to market faster.**



Program Features

- Match 50% of the third party investment up to \$500,000.
- Investment must be directly related to the Phase II award.
- Investment can be cash, sale/licensing revenue or tangible financial instruments.
- Don't accept loans or service in-kind.



Program Features

- **NSF funds must be used for additional research.**
- **There is no restriction on how the third-party funds are used.**



Technology Enhancement for Commercial Partnerships (TECP)

- A pre-Phase IIB supplement for additional research beyond the Phase II to meet technical specifications or proof-of-concept requirements of a potential partner.
- The grantee must describe the commercial opportunity and the proposed research.



Technology Enhancement for Commercial Partnerships (TECP)

- The potential commercial partner must provide a letter of support expressing their commercial interest and their intention to enter into a business relationship with the grantee.



Program Management

- **Extensive pre-proposal consultation between the company and the program director.**
- **Focus on “show me the money” including an internal review of the investment documents.**



Program Management

- **Presentation to NSF staff by the company and investor if the request is >\$250K.**
- **Formal proposal submitted only after all the requirements are met and verified.**
- **Awards reports and payments integrated into the Phase II award reporting schedule.**



Program Outcome

- Five years from the Phase II award date 64% of the grantees who received IIB supplements were judged financially successful while 36% of the grantees who did not have IIB supplements were judged financially successful.

