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***“START” Program***  
**SBIR Targeted Technologies**

February 5, 2014



- A State funded and controlled venture capital firm
- Founded in 1978
- \$14 million in State support, \$2 million in Federal support
- Primary source of Funds: Investment Gains
- Has invested \$90 million in 135 companies
- Leveraged that with over \$1 billion of other capital
- Active investor

## The Opportunity

Massachusetts has long been a national leader in SBIR grants and dollars received

- 2<sup>nd</sup> in the nation in dollars received
- 1<sup>st</sup> in dollars received per capita
- \$3.8 billion in commercial sales of SBIR technologies generated to date
- MA has consistently been awarded nearly 13% of all SBIRs
- How to make a difference?

## Best to Help?

- Meet industry groups:
  - New England Innovation Alliance
  - Smaller Business Association of New England
- Review comparable programs:
  - Other states
  - Massachusetts Life Sciences Center

## Goals

- Commercialization
- Flexibility in use of funds
- Ease of application process

## Program Purpose and Goals

- Help small companies transition their SBIR technologies to products
- Focus on commercialization, not more grants
- Complement SBIR funding, cover costs not reimbursable under SBIR
- Provide mentoring, in addition to money, to small companies lacking business experience

## Program Purpose and Goals (con't)

- Invest relatively small amounts early and thereby de-risk product development, market introduction
- Minimize time and cost of applying to the program
- Become self-sustaining through equity investments in Stage III
- Engender a strong positive public perception of the program and MassVentures

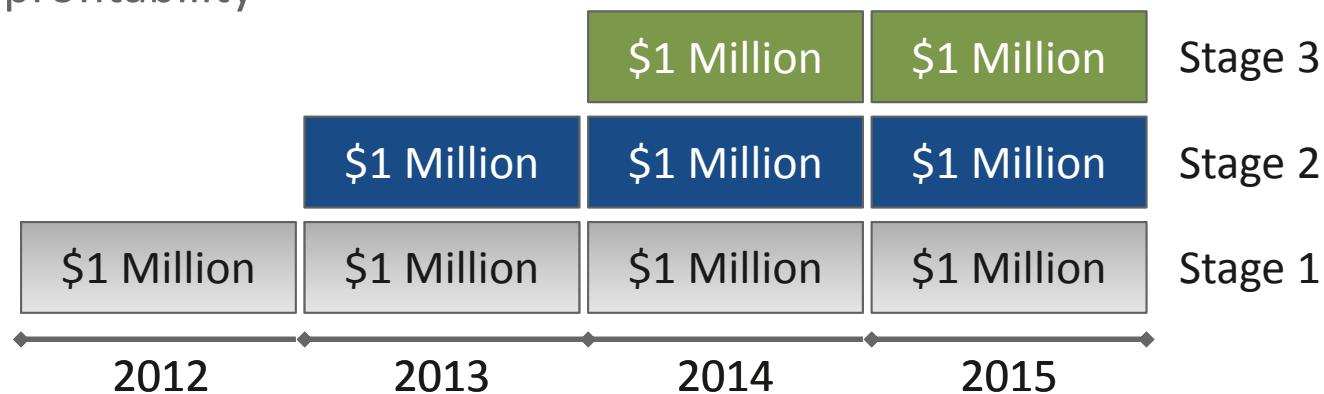
## Eligibility

- Massachusetts-based companies that have received Phase II funding within the last 3 years
- The company must demonstrate a significant, addressable market for its technology
- Well planned use of proceeds that will take the company to commercialization
- Life sciences and energy/clean tech will not be considered under *START* as other Massachusetts programs support them

# START Program Details

## 3 Stages over 3 years

1. \$100,000 each to 10 Massachusetts applicants who have won Phase II SBIR contracts
2. Based on progress demonstrated over the first year, an additional Stage II grant of up to \$200,000 will be awarded to the five most promising companies
3. At the end of the second year, two companies will be chosen for a \$500,000 investment based on their potential for growth and profitability



## Selection Process – Year 1

- A two-page Executive Summary and Quad Chart
  - (92 submitted year 1)
- 60 reviewers each review 6 plans
  - Variety of scientific and business backgrounds
  - Match plans with expertise of reviewers
- Top 15 – 20 present to panel of judges
  - 10 Minute presentation, 15 minute Q&A
- 10 are selected for \$100k grant subject to due diligence and contract

## Success Stories - Testimonials

- We used the START money to port our software platform to iPad and Android tablets. This set the stage for explosive growth in the education and corporate markets. We added 5 FTE's in Massachusetts to support our growth. - NSF recipient
- We filed 3 patent applications as well as a provisional. Our investment (with *START* money) in marketing led directly to new client interest from six Fortune 500 companies which raised our profile so significantly that we were acquired by a deep-pocketed strategic company. Its resources and backing are fueling the spread of our SBIR developed technology and our growth. – NSF recipient
- *START* funding was helpful in moving our product from the lab to a manufacturing setting, where it is now being assembled and tested in a structured and quality-controlled environment. Approximately 35 systems have been manufactured to date, mainly to seed the market by putting products in the hands of key early adopters. This has resulted in indications from several critical military customers that orders would be forthcoming.

# Questions?

[www.mass-ventures.com/start](http://www.mass-ventures.com/start)