

NIH Online Due Diligence Tools for  
Small Business Grant Applications (SBIR & STTR)

Gregory Milman  
National Institute of Allergy  
and Infectious Diseases  
[gmilman@niaid.nih.gov](mailto:gmilman@niaid.nih.gov)  
November 9, 2011

**Particularly Important Information  
Is Highlighted in Red**





SBIR/STTR Company Eligibility Rules


- Satisfy U.S. ownership requirement.
- Principal place of business in U.S.
- **SBIR/STTR funded research must be conducted entirely in the U.S.**
- **Control research facilities where SBIR/STTR research will be conducted.**
- Small = 500 or fewer employees in the small business and all its affiliates.
- Opportunities for foreign and VC-owned companies .
  - Collaboration
  - Ownership under 50%






SBIR and STTR Are Multiphase Programs




- Phase I Awards (1 or 2 years)
  - SBIR Phase I Median Award \$199K/year (FY2010)
  - STTR Phase I Median Award \$174K/year (FY2010)
  - Awards to about 12.5% of applications (FY2010)
- Phase II Awards (2 or 3 years)
  - SBIR Phase II Median Award \$529K/year (FY2010)
  - STTR Phase I Median Award \$562K/year (FY2010)
  - Awards to about 29.6% of applications (FY2010)
- Fast-Track – Combined Phase I/II application
- Competing Phase II (renewal)
  - For FDA related products
  - Awards up to \$1M per year for 2 to 3 years
- Phase III
  - Remaining steps of commercialization
  - **Not funded by government. Funded by other sources**








**SBIR (R43 and R44)**  
**Small Business Innovation Research**

- Business applies for and receives award.
- 2.5% of NIH extramural research budget.
- About \$599M in competing and noncompeting FY2010 NIH awards.
- **Principal Investigator (PI) in single PI application must be employed over 50% by company.**
- Academic PI allowed in multiple PI application.
- Subcontracting allowed but not required.
- Maximum subcontracting nominally:
  - 33% in Phase I.
  - 50% in Phase II.
  - **actual amount somewhat flexible.**




**STTR (R41 and R42)**  
**Small Business Technology Transfer Research**

- Business applies for and receives award.
- 0.3% of NIH extramural research budget.
- About \$83M in competing and noncompeting FY2010 NIH awards.
- PI may be full-time employee of a research institution.
- **Requires partner research institution to conduct a minimum of 30% of the work (funds).**
- **Business must conduct minimum of 40% of work**
- Remaining funds, if any, can be used for consultants or other subcontractors

FY2010 NIH Phase I Applications

Type	Received	Funded	Award Rate
<b>SBIR All</b>	<b>5702</b>	<b>677</b>	<b>11.9%</b>
Initial	4587	472	10.3%
Revisions	1115	205	18.4%
Median Award/Yr		\$199K	
<b>STTR All</b>	<b>597</b>	<b>109</b>	<b>18.3%</b>
Initial	427	71	16.6%
Revisions	170	38	22.4%
Median Award/Yr		\$174K	

FY2010 NIH Phase II Applications

Type	Received	Funded	Award Rate
SBIR All	814	241	29.6%
Initial	514	152	29.6%
Revisions	300	89	29.7%
Median Award/Yr		\$529K	
STTR All	97	29	29.9%
Initial	56	25	26.8%
Revisions	41	14	34.1%
Median Award/Yr		\$562K	

- Online NIH "Due Diligence" Tools Are Your Key to Success
- A. Small Business Research Funding Opportunities  
<http://grants.nih.gov/grants/funding/sbir.htm#funding>
  - B. NIH Center for Scientific Review (CSR)  
<http://cms.csr.nih.gov/>
  - C. NIH Research Portfolio Online Reporting Tools  
<http://report.nih.gov/>
    1. Strategic Plans and Visions  
<http://report.nih.gov/strategicplans/index.aspx>
    2. Success Rates  
[http://report.nih.gov/success\\_rates/index.aspx](http://report.nih.gov/success_rates/index.aspx)
    3. NIH RePORTer  
<http://projectreporter.nih.gov/reporter.cfm>
  - D. PubMed  
<http://www.ncbi.nlm.nih.gov/pubmed>

- NIH Small Business Research Funding Opportunities  
<http://grants.nih.gov/grants/funding/sbir.htm>
- Funding Opportunities
    - Small Business Innovation Research (SBIR)
    - Small Business Technology Transfer Research (STTR)
  - Eligibility
  - Receipt dates
  - Program descriptions and research Topics
  - Electronic submission information
  - Application review process
  - Policy information
  - Grant preparation resources
  - NIH Small Business Conference information

- Review Panels Score SBIR/STTR Applications
- The percent of reviewers affiliated with companies varies from about 20% to 60%.
  - Reviewers read, discuss, and give an Impact score to applications they think belong among the best 50%. Other applications not discussed or scored (triage).
  - Only a few reviewers are your application's Subject Matter Experts and they greatly influence your score.
  - Reviewers average Impact score is multiplied by 10 to give a final score of between 10 and 90 (10=best).

- Characteristics of an Outstanding Small Business Grant Application *For Reviewers*
- Addresses a significant problem *for reviewers*
  - Leads to an innovative product *for reviewers*
    - Has an impact on the problem
    - Offers high financial reward for business
    - Exit strategy can be achieved in reasonable time
  - Reviewers judge probability of success judged by
    - Investigators prior accomplishments
    - Approach and experimental design
    - Preliminary data
    - Company and collaborator resources







