SBIR Commercialization Plans

Agenda
- My NSF SBIR Phase II Experience
- Notes
- Logistics
- Takeaways
- Thoughts on Commercialization Plan Sections
- Sample charts
- Ask Questions at any time

Panel

My Notes from NSF
- Now is best time to apply for NSF SBIR
- Program reauthorized by Congress
- Budget increase over next 5 years
- Sequestration just slowed down growth
- 11% acceptance rate is misleading
- 1/3 are "hot submissions"
- 1/3 are crack-pots (perpetual motion machines, written in crayon, corner flower shops, etc.)
- Basically, 2/3 go into trash
- 30-40% are credible submissions

My Notes from NSF cont....
- More likely to fund first-time grantees
- Stats show that awards that go to first-time grantees have more impact
- Purpose is to fund high risk, high payoff innovations, not evolutionary optimizations of existing products
- Outcome at end of SBIR is that someone should pick up the bill, not necessarily that you are up an up-and-running entity

Panel Review
- Received packets 2 weeks in advance
- Long table
- 3 technical reviewers on one side
- 3 commercial reviewers on the other side
- 1 technical reviewer assigned as the lead for each packet and led the discussion
- Spent ~1 hour per packet
Panel Review
- Dropped each submission into a bucket
- HR — highly recommend
- RR — recommend with reservation
- DR — do not recommend
- Program managers take it from there

General Observations
- Reviewers are good
- They want to fund you
- Don't make it hard to find information
- Linkedin
- Website
- Email Address
- If you end up in DR, you are in bad shape
- Industry feedback is very important and stands out
- Letters of support play a key role and reviewers see through weak ones
- ICORPS helps and they advertise it

Other Takeaways
- You do not need to hit a home run.
- Pick a clearly defined market and nail it
- Program managers rule the world
- It's a black box
- They know your history
- Knowledge of PI came from PI packet
- Highlight some mistakes I saw

Mistakes I have seen
- Wrong date on Key LOS
- Unrealistic go-to-market strategy
- Spent 3 pages on unrelated market
- Members not listing company on LinkedIn Profiles
- Key partner company seemed sketchy (no LinkedIn Profile, no website, etc.)

Commercialization Plan
- Goals when putting together PI
  - Appearance of a Phase III Company
  - Appearance of a winner
  - Gain trust
  - Risky ventures and you need their help (not just a route to equity free financing)
  - Customer centric
  - Building momentum in PI for PI
Market Section
- Market Need
  - Want to be compelling
  - Need to clearly articulate problem
  - Clearly define the market
  - Back it up with data
  - Market feedback

Market Section
- Industry Overview
  - Work in customers and competitors
    - Use market data
    - Show that you understand industry
    - Identify niche

Market
- Market
  - Niche vs. broad approach
  - Lots of data
  - Commercialization Strategy
    - Show your plan
    - Consistency within your industry
    - Refer to other models

Team Section
- Team
  - Origin
    - Tell compelling story
  - Highlight customer demand
  - Description
  - LinkedIn Data
    - Show that you're more than academics
    - Show them that you have support
    - Better to highlight gaps than ignore them
    - Show board and advisors

Product and Technology Section
- Product/Technology
  - Highlight Value Proposition
  - Show customer feedback and value
- Competition
  - Be realistic and believable
  - Show a standard competition slide
- IP Landscape
  - Show that you have IP plan

Finance and Revenue
- Finance and Revenue Model
  - Be consistent with other documents
  - Be realistic
  - Show high growth
  - Backup with realistic assumptions
- Financials
  - Document assumptions
  - Be reasonable
Supporting Docs
- Letters of Support
- Good, Better, Best
- Start early
- They see through weak ones

Misc Do's and Don't's
- Market Size -- .001% of $10B market vs. $100M market
- Yahoo email address
- No website
- No LinkedIn Profile
- Be careful with "Platform technology" statement
- Competition slide

Sample Charts

Market Size
Total Addressable Market -- how big is the universe
Served available market -- how many can I touch with my sales channel
Target market -- who will be the most likely buyers

Competition Slide

Competition Slide