

## Program Report Card: Connecticut Small Business Innovation Research Office (OWC)

**Quality of Life Result:** Connecticut will have a vibrant, entrepreneurial, technology-based economy.

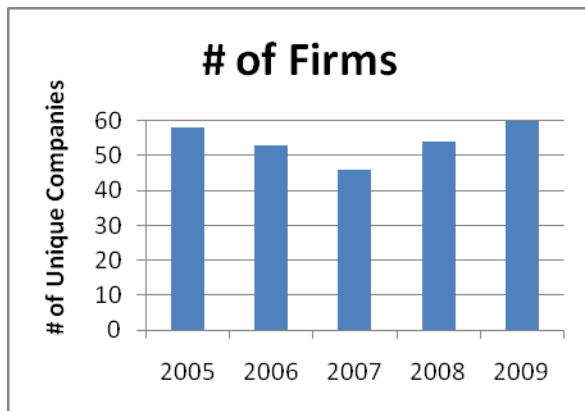
**Contribution to Result:** The CT SBIR Office provides innovation and commercialization services and access to resources for technology based entrepreneurs and small businesses. The Office does this through various programs and conferences which facilitate collaboration among industry, academia and government. The services enable Connecticut high technology companies to compete for and attract millions of dollars of federal R&D and other funding, develop and commercialize new products and thereby strengthen and grow the economic base of the state.

**Partners:** Major partners include large companies scouting for innovation, federal agencies looking to fund small businesses with innovative solutions, universities performing research in the technical areas of interest for high technology companies, and service providers who assist businesses in growing and creating jobs.

### Performance Measure 1: Number of Firms Engaged

The CT SBIR Office was established in late 2004 to stem the relative and absolute decline of CT small businesses in competing for and winning federal Small Business Innovation Research (SBIR) funding. As the following chart shows, following a declining trend, Connecticut has increased the number of firms winning SBIR federal grants since 2007. These grants help to expand businesses and create jobs in Connecticut.

One leading factor in how much overall SBIR funding is awarded to small firms in the state is the number of firms engaged.



NOTE: As of 11-9-10

### Story behind the baseline:

Through its outreach, educational and proposal assistance activities, the Office has built a continuing flow of new firms competing for and winning Phase I awards averaging \$100k, which then lead to the chance to compete for larger Phase II awards often as much as \$1M or more.

### Proposed actions:

CT SBIR will continue to reach out to small businesses who qualify for SBIR grants, but who have not yet participated. 12 new companies won SBIR Phase I grants so far in 2009. We will do this through:

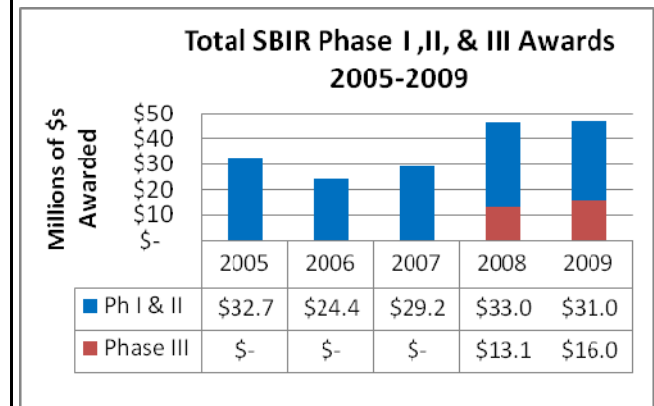
- Conferences and workshops
- Presentations to inventors, entrepreneurs, students, faculty, manufacturers, etc.
- Free Proposal reviews
- Informative website
- Focus on Innovative Manufacturers

We also submitted a proposal to the SBA for a grant from their Federal and State Technology Partnership Program (FAST). We requested \$100K to increase participation in the SBIR program for Women-owned, Minority-owned and Disabled Vet-Owned small businesses. This grant will help us to focus on this specific target market. We were notified in September of this year that we won the FAST grant. We have hired the project manager and the project started October 1<sup>st</sup> of this year.

### Performance Measure 2: Total Number of SBIR Phase I and Phase II Dollars Awarded

In the 3-phase SBIR Program, firms winning Phase I proof of concept funding, can then compete for larger Phase II funding to further develop their concepts by developing and

testing prototypes and related activities. Phase II awards are generally \$500K to \$1M plus. We have just begun collecting metrics for Phase III revenue dollars for 2008 and 2009. They are extremely encouraging. Bottom line: SBIR companies ARE generating revenue from products developed through SBIR. We have already logged \$13 million for 2008 and \$16 million for 2009. These encouraging numbers are conservative. The SBIR program is working -- This is great news for Connecticut.



NOTE: As of 11-9-10

### Story behind the baseline

The upward trend for Phase II awards also started in 2007, lagging Phase I upward momentum because you need to win Phase I before you can win a Phase II. Also, there is at least one year between Phase I and Phase II awards. In 2009, the total number of firms engaged in SBIR grew but there were more Phase 1 awards received than Phase II therefore the total dollars awarded was much lower. Also

Updated as of 11.9.10

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there were significantly less Phase 2 awards in 2009 than 2008.

### Proposed actions to turn the curve:

CT SBIR will actively assist Phase I winners when they are approached by the federal agency to submit for a Phase II award. In 2009-2010, we reviewed 7 proposals that have now been awarded Phase II dollars. Staff is also needed to collect Phase III metrics, since there is no other source available for this information. We have compiled a list of Phase I winners who did not convert to Phase 2 awards. We are in the process of reaching out to them to offer our assistance and determine the factors that caused the non-conversion.

### Performance Measure 3: Number of Partnering Opportunities Developed

The Office facilitates partnering, which is a key factor in successful commercialization and the attraction of follow-on investment. The number of partnerships has increased more than 20 fold since 2005,

#### Number of Partnerships Facilitated

2005- 2009 Activity/Metric	2005	2006	2007	2008*	2009
Collaborate to Innovate™			26	0	13
Matches for Money™	3	7	48	35	116
Partner with a Prime™	9	24	51	31	33
Partner with a Professor				1	5
Careers for Engineers					83
<b>Totals By Year</b>	<b>12</b>	<b>31</b>	<b>125</b>	<b>67</b>	<b>250</b>

\*NOTE: 2008 Activity dipped due to firms accomplishing similar partnering through the National Conference in November 2008.

### Story behind the baseline:

SBIR has developed several one-of-a-kind programs to fill gaps for needed support. For example our "Matches for Money" and "Collaborate to Innovate" programs connect businesses with needs to businesses that provide product and services solutions. "Partner with a Prime" and "Partner

with a Professor" programs connect companies to potential commercialization partners and academic experts. Our newest program, Careers for Engineers, helps keep our talented technology workforce employed in Connecticut.

### Proposed actions

CT SBIR has forged new partnerships with Boeing, Sikorsky Innovation, and NASA's SATOP Program

- A contract with Boeing for Matches for Money, which does not require additional state funding, will be enhanced (Fall 2009 to Fall 2010).
- Discussions with Sikorsky Innovation are underway for possible partnerships.
- A contract with NASA SATOP has been renewed and will generate revenue (\$7,500) into the CT SBIR Office.

### Performance Measure 4: Positioning Connecticut at the Crossroads of National Activity

The Office creates additional opportunities by maintaining relationships with the federal agencies and global companies that support small business innovation. This is reflected in attracting national conferences and increasing partnerships with larger firms as reflected above.

The 11 SBIR federal agencies unanimously voted to return to Connecticut for a second time April 21-23 2010. After never hosting the national conference in the first 25 years of SBIR, the state has now hosted the conference for the second time in 18 months.

#### 2010 National SBIR Conference Statistics

Type of Organization	Attendees
Small Technology Business	501
Non-Profit Agency	152
Large Corporation	104
SBIR Agency	92
Service Provider	48
University	40
Investor + Media	9
<b>Total</b>	<b>946</b>

More than half the attendees were from small technology companies.

### Story behind the baseline:

Connecticut hosted the National SBIR Conference for the first time in 25 years in November of 2008 and again in April of 2010. The support for and the feedback from these Conferences was remarkable. These conferences allowed Connecticut's high technology businesses to meet face-to-face with all the partners needed to take an innovative product to market. They met with federal agencies, customers, and investors all doing business and creating jobs.

### Proposed actions

Building on the success from 2008 and 2010 National Conferences, the CT SBIR Office is planning to host a Regional Conference in July 2012.

With adequate and stable funding, the CT SBIR Office plans to increase its outreach, adding new programs and supporting MORE technology companies in Connecticut. This could increase the number of jobs created and retained in Connecticut technology and advanced manufacturing companies, important to Connecticut's economic well being, diversity and sustainability.

### Other No-cost, Low-Cost Solutions:

The CT SBIR Office partners with other state agencies to administer dollars/grants for small businesses. One State Program has just begun: the Small Business Innovation and Diversification Program announced by the Governor in late December 2009 and funded by DECD. To date, we have received 21 applications and awarded 10 companies with a total of \$242,500. We have an additional 3 companies in the final stages of approval. UCONN's school of engineering has partnered with CT SBIR on this Program and is contributing \$5000 per project for an engineering student and faculty member involvement.

The CT SBIR Office administers these programs for no additional charge to the other state agencies (DECD, OWC, etc.)



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