

Conference Orientation and Welcome

**2007 Spring National SBIR Conference
North Carolina
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We're Glad You're Here!

Presenter

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The Plan for the Session

- ❖ Conference agenda overview
- ❖ Brief SBIR/STTR introduction (you'll get much more of this throughout the conference)
- ❖ Communicating with program managers and potential collaborators/partners
- ❖ Creating your value proposition

Conference Structure

- **Tuesday**
 - SBIR/STTR 101 from the Feds
 - Federal agency overviews (am)
 - Expanded agency presentations (pm)
- **Wednesday and Thursday**
 - Sessions provided by subject matter experts and SBIR veterans focused on various audience experience levels
 - Special post-conference workshops on Thursday afternoon—*these require pre-registration*

Conference Logistics

- Welcome Reception
 - Monday, 6PM – 8:30PM
 - Bus Transport
 - Leave at 5:30 (30 minute tour of RTP) and approx 6:30PM if needed
 - Seating is first come-first serve
 - Returns from 7:30 – 9:00PM
 - Driving – Directions on Registration Table
 - Drink tickets

Conference Logistics

- Dining Options – Tuesday
 - Busses leave Sheraton at 5:30 and 7:00PM
(seating is first come-first serve)
 - Destinations:
 - Streets at SouthPoint
 - American Historic Tobacco District
 - Return Busses at 8, 9 and 10PM
 - Driving directions at registration table
 - Restaurant listings in conference book

Conference Logistics

- Lunch – Tickets that were in registration envelope are required for entry
- Signs – Green signs will denote sessions outside rooms
- Exhibit Area:
 - Demo Companies: All SBIR Successes
 - Agencies
 - Sponsors

Three Tracks for the Conference

- “**Track A** is primarily geared to those interested in finding out more about the program or those relatively new to the SBIR/STTR program. Sessions in this Track will help provide you with critical baseline information.”
- “**Track B** focuses on partnerships, resources, and special interest areas.”
- “**Track C** provides enhancements, including sessions on procurement, business development, valuation of technologies, and financing options.”

Great Range of Subject Matter

- Talks by federal reps
- Proposal basics
- Forming an SBIR/STTR-eligible firm
- Balancing business tasks with technical work
- Becoming “investor-ready” (*Pre-register for this one*)
- Success stories—lessons learned
- Partnering and collaborating
- IP management
- Accounting and audits
- Government procurement
- Technology transfer
- Learning from proposal reviews
- Life after Phase II
- Commercialization
- Bonus workshops on Phase II proposals and R&D project management (*Pre-register for these*)

Networking

- Key Opportunity All Three Days
 - **Networking** with agency program personnel
 - **Networking** with other session speakers
 - **Networking** with potential partners/collaborators (all 3 phases)
 - **Networking** with other attendees and service providers

Important Basic Considerations

- Must meet small-business and ownership requirements as stated in the solicitations
- Applicant must do at least 2/3 of Phase I SBIR work in-house; 40% of STTR work
- Principal Investigator (PI) typically must be primarily employed by the small company during the period of performance on an SBIR; key exceptions on most STTR's; *PI role is important*
- All work must be performed in the U.S.

**Lots of folks talk about THE SBIR
Program or THE STTR Program...
but there is no such thing.**

*It is essential to understand the many
similarities and differences.*

SBIR Program

- ❖ >\$2 billion awarded annually
 - ❖ **About one-third are first-time winners each year**
 - ❖ **Majority of the awards go to firms with 25 or fewer employees**
- ❖ **PI must be primarily employed by firm**
 - ❖ **51%, minimum, during period of performance**
 - ❖ **Time may be distributed over multiple projects**
 - ❖ **Some agencies have minimum PI time on project**
- ❖ **Need to have access to the facilities needed to carry out the R&D project**
- ❖ **Collaborators and consultants may be used for SBIR's, but are not required**

STTR Program

- >\$200 million awarded annually
 - **The five largest SBIR agencies (DOD, NIH, NASA, DOE, NSF) plus Homeland offer STTR programs**
- Small business/non-profit research institution collaborative research and development program; formal contractual collaboration required:
 - **Minimum 40% to small business**
 - **Minimum 30% to research institution**
- Small company is the applicant and awardee
- PI employment requirements
 - **Most STTR agencies allow PI from non-profit (key advantage for many small firms)**

Key Questions to Ask Yourself

- What is your great research idea?
- How will the SBIR/STTR timeline affect your idea and your firm?
- Do you have the credibility you need to be competitive in this R&D/commercialization arena?
- What level of commitment are you and your team members willing to make to get a competitive proposal put together? Do you have a “champion” for the effort?

Your SBIR champion must be willing to do anything to get the job done right!



The SBIR champion on Thanksgiving weekend

Collaboration: Teams Are Important

- **Phase I**
 - **Consultants – boost company credentials/credibility**
 - **Corporate partners or potential corporate partners**
- **Phase II**
 - **Consultants – boost company credentials/credibility**
 - **Corporate Partners - Phase II contributions and target performance specifications/Phase III sponsors/investors/customers**
- **Phase III**
 - **Private-sector investors - follow-on R&D/commercialization**
 - **Corporate Partners - follow-on R&D and commercialization**
 - **Government agencies - follow-on R&D and commercialization (using non-SBIR funds); the government can be one of your customers**

Selling Your Value Proposition

Creating Your Own Elevator Speech

Portions courtesy of Randy Dipner, Meeting the Challenge, Inc.,
Colorado Springs, CO www.mtc-inc.com

The Value Proposition

- Most folks don't have an effective “**elevator speech**” in their heads; having one that is effective will immediately set you apart—just as a great abstract gets a proposal off to a good start
- The goal is to capture the essence of your message in a 30-second pitch

The Value Proposition

- The elevator speech identifies key elements or **themes** that make up your proposal story or your sales story

The methodology presented here is based on Geoffrey Moore's paradigm presented in *Crossing the Chasm*

Typical Elevator Speech Problems

- **All about “me.”**
- Don't clearly identify the benefits or the beneficiary— not focused on customer.
- Don't identify the problem being solved or why the problem is important.
- Don't connect the technology or business with a readily understood industry.
- Don't discriminate the company from the competition.
- Rarely identify the competition or state of the art.

Creating an Elevator Speech

The Process

First Sentence

- For:** List target customers. Group them and try to ultimately define **THE** customer.
- Who:** Define the need or opportunity. That is, what critical issue does the customer face?
- The:** Name the product or service or concept.
- Is a:** Place the product, service, or concept into a generally understood category.
- That:** List the benefits – not the features – of the product, service, or concept provided to the customer. Group or prioritize the benefits to identify the single (quantified) benefit that is the most compelling reason for the customer to buy.

Second Sentence

Unlike: Discuss the competitors and/or competitive alternatives – i.e., the state of the art and its drawbacks.

Our: Develop a statement of the primary differentiation of the product, service, or concept. The differentiation is the single most important thing that sets your product, service, or concept apart from the competition or state of the art.

An Example Using the Template

For electronics industry manufacturers who annually experience some \$40 billion in losses due to static discharge, the PolyTronics conductive plastic is an advanced material that eliminates damage from static electricity. Unlike currently used, external and expensive static-discharge equipment, our product is an integral part of the assembly that continually drains static at almost no added cost.

An “Elevator Speech” Example for a Research Project

For electronics industry manufacturers who annually experience some \$40 billion in losses due to static discharge, the PolyTronics conductive plastic is an advanced material that has the potential to inexpensively eliminate damage from static electricity. Unlike currently used, external and expensive static-discharge equipment, our novel material is being developed as an integral part of the assembly to continually drain static at almost no added cost.

A More-Conversational Example

- We solve a key problem for electronics industry manufacturers who annually experience some \$40 billion in losses due to static discharge. The PolyTronics conductive plastic is an advanced material that eliminates damage from static electricity. Unlike the external and expensive static-discharge equipment that our competitors sell, our product is an integral part of the assembly that continually drains static at almost no added cost.

Electronics Processing – Original

How does this work as an elevator speech?

Imagine a rubber or a fiber or a coating that conducts electricity. Or imagine a hard plastic-like casing conducting electricity. Why is this important? We solve a number of problems in industry. For example, static discharge causes \$40 billion in losses for the electronics industry on an annual basis. With our product, we can solve that problem. Or imagine silicon being replaced with conductive plastic in a smart card, where it would cost pennies rather than a dollar to make that product. We are the only company in the world that can make conductive plastics that is very inexpensive – so inexpensive that we can have 65 percent gross margins. Our research is based on 10 years technology research at CMU.

Software Developer - Original

Knosis has the only available software package that captures a proven methodology for taking an effective idea and assembling it. Imagine you run a large management consulting firm and 50,000 consultants and 15 million hours a year assembling, of course, up over a million reports and presentations. What price will you pay for inefficient report or presentation practices? How many clients will you lose because presentations are not...compelling? The number one cause of ineffective (presentations) ...is the failure to organize ideas for the way people think. The number one solution is the methodology that has become an industry standard in management consulting. Knosis has completed a packaged software that streamlines (the process)...Word of our product has sparked high-level interest in seven global companies. We're seeking \$500,000 to accelerate...our efforts.

A Revision Using the Template

For large system-engineering consulting firms who need to efficiently assemble coherent presentations of complex ideas from many collaborating partners, the Knosis product is a knowledge-management package that incorporates the industry-standard methodology into an easy-to-use software tool. Unlike the unwieldy manual process, our product can manage input from thousands of consultants and develop a final presentation with a few keystrokes.

About Grow LLC

- Grow LLC's three founders provide national-caliber expertise that covers **the entire business lifecycle**.
- Grow LLC helps emerging companies transform into profitable, visionary businesses by providing services in three key areas:
 - **Access to Capital (with a focus on SBIR/STTR)**
 - **Acquisitions & Exits**
 - **Outsourced Business Services**

Enjoy the Conference!

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**CALL 303-990-2113 TO SET AN
APPOINTMENT TO MEET DURING
THE CONFERENCE**