A 60 Billion Dollar Resource for Small Business

Each year the federal government spends over 60 billion dollars on research and development activities. This research creates a large pool of intellectual property available for licensing, and both research contracting and partnering opportunities for small businesses. The vast majority of this research occurs in six agencies: National Institutes of Health (NIH), National Science Foundation (NSF), Department of Defense (DOD), Department of Energy (DOE), National Aeronautic and Space Administration (NASA), and the United States Department of Agriculture (USDA). The research is conducted by various methods: grants to academic institutions, internally, in federal labs, and as outsourced contracted research. How can your business tap into this resource to support new product and service ideas? The first step is to learn what federal research is occurring.

Accessing the Research at Federal Agencies and Labs

Begin with the federal agencies listed above, and search for an Office of Technology Transition or Technology Transfer. Some agencies do a great job and have easy to use searchable databases, for example the NIH at [http://www.ott.nih.gov/Technologies/AbsSearchBox.aspx](http://www.ott.nih.gov/Technologies/AbsSearchBox.aspx) or NASA’s Tech Finder at [http://technology.nasa.gov/](http://technology.nasa.gov/). Other agencies do not and often you will need to look below the agency level. For instance the Department of Defense does not have one searchable database. For example if you are looking for research conducted by the Air Force, you’ll have to start at the Air Force Research Laboratory and then have to follow links from that site.

Both DOD and the USDA also employ intermediaries to help promote technology transfer. In the DOD these are part of the Office of Technology Transition Partnership Intermediary Network (OTTPIN), at the USDA this happens in the Agricultural Research Services, Agricultural Technology Innovation Partnership (ARS-ATIP). There are approximately 10 organizations in each group. Two organizations that are part of OTTPIN, TechLink and TechMatch, are especially good starting points for exploring DOD research.

The best place to learn about what is happening in federal labs is the Federal Laboratory Consortium (FLC) at [www.federallabs.org](http://www.federallabs.org). You can search over 300 labs by technology or other criteria.

Working with Agencies or Labs

There are several different structures for working with federal agencies or labs. At the agency level you will find licensing in several types: evaluation, internal commercial, exclusive, non-exclusive, and non-profit. NASA has a space act agreement. There are also materials transfer agreements (MTA). On the lab level there is a cooperative research and development agreement (CRADA), which represents a longer term commitment with the lab, as well as facilities use agreements, test service agreements and other arrangements.
Small Business Contract Research

The federal government also has a set aside program that directs a percentage of outside research be awarded to small businesses; last year this amounted to 2.5 billion in expenditures. This is accomplished through two programs: the small business innovation research program (SBIR) and the small business technology transfer program (STTR). There are eligibility requirements for each program, but most small businesses qualify. The primary difference between the two programs is that the small business is required to have a non-profit research partner, often a university, in the STTR program. SBIR programs are run in 11 federal agencies, STTR programs are run in 6. The programs vary by agency and you will need to discover the details of each. In general there are three phases to both programs, phase 1 – feasibility, phase 2 prototype, and phase 3 commercialization, these phases correspond to increasing funding levels. To discover what types of Wisconsin companies have been able to utilize these programs see, www.wisconsinsbir.org and explore the list of award winners on the left hand side. To learn more about these programs and resources to help you with the details, see www.zyn.com/sbir and www.sbir.gov.

As always we are happy to answer your questions about this or any other small business topic at the UWM- Small Business Development Center, 414-227-3240 or the SBDC Answerline 800-940-7232.