

Small business owners get help applying for competitive federal grants

Researching and developing new products can be expensive and risky for small business, but special federal funding can help these firms. Training by a partnership led by UW-Extension's Small Business Development Center has helped 150 businesses target and write proposals, boosting the number of state firms that win awards. Since 2002, Wisconsin small businesses have received almost \$10 million in these highly competitive grants. Businesses that win the prestigious innovation awards typically have less trouble finding sources of financing for the final commercialization and marketing of their products.

Situation:

Small businesses in Wisconsin are usually not able to afford the financial risk of researching and developing new products, but the Small Business Innovation Research (SBIR) program, a federal research grant program for small businesses, helps mitigate this risk. By reserving a specific percentage of federal R&D funds for small businesses, SBIR enables them to compete on the same level as larger businesses. SBIR funds the critical startup and development stages and encourages the commercialization of the technology, product, or service, which, in turn, stimulates the state's economy. Receiving the prestigious SBIR award also confers technology credibility onto the company, making future financing or licensing easier. The stiff competition for the highly prestigious program makes it difficult for many Wisconsin firms to win the grants.

Response:

A Federal and State Technology Partnership (FAST) consisting of the UW-Extension Small Business Development Center (SBDC), UW-Madison Office of Corporate Relations, Wisconsin Department of Commerce, the Wisconsin Small Business Innovation Consortium, and the U.S. Small Business Administration, guides firms through the competitive Small Business Innovation Research grant application process, helping them to win. The Wisconsin FAST partners help them choose the appropriate federal agencies and their solicitations, develop an agency strategy, write the proposal, and review their work, boosting the number of state firms that win awards.

The UW-Extension SBDC has received 3 consecutive awards of \$100,000, \$100,000 and \$95,000 from the U.S. Small Business Administration's Federal and State Technology Transfer Partnership Program (FAST) to provide technical assistance and other services to small high technology businesses. The Wisconsin FAST partnership network:

- Developed and maintains an SBIR/STTR assistance network,

- Designed and maintains a Wisconsin SBIR web site as a central access point to SBIR program information and relevant Wisconsin resources (www.wisconsinsbir.org).
- Provided grants for small businesses to access university library information services for SBIR/STTR proposal preparation and business planning (www.wistip.org)
- Provided statewide SBIR awareness sessions and tech-transfer education workshops
- Provided one-to-one proposal SBIR proposal assistance

Since 2002, the FAST network has assisted over 150 businesses, 28 of those have been provided in depth assistance; over 1,000 participants have attend FAST partner workshops and outreach events relating to SBIR assistance, and 24 WisTIP grants have been awarded to small businesses to access UW library services.

Outcomes:

While the SBIR program continues to be more competitive each year, FAST partners have assisted 18 clients that have received FY03 awards totaling \$9,894,325 which includes 15 Phase I awards totaling \$1,949,754, and 12 Phase II awards totaling \$7,944,591. Also, an indirect benefit is that businesses that win the prestigious SBIR award typically have less trouble finding sources of financing for the final commercialization and marketing stages.

Success Story:

PhysioGenix, a Milwaukee company founded by two professors at the Medical College of Wisconsin, specializes in breeding designer rats that can better emulate disease models so that researchers can design more effective human therapies. The company has received four innovation grant awards, all dealing with aspects of research using genetically engineered rats as models for human clinical conditions. One grant focuses on breeding rats in a way that combines the physiological traits and the genome qualities that are suspected to cause human Type II diabetes. In other areas, the company can provide designer rats with specific chromosomal manipulations for pharmaceutical companies interested in validating the effects of a promising new drug compound. PhysioGenix also breeds a special panel of rats that is capable of detecting adverse drug effects prior to their introduction into humans. This will cut down on the number of drug trial failures with humans and the large cost to develop drugs because toxicity will be identified early in the drug's development. These reactions usually are detected late in the trial or even when the drugs hit the market, ultimately requiring the drugs to be pulled from the market before they harm patients.

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Submitted: November 2004