

- ❖ Context Setting comments
- ❖ Venture capital
- ❖ Patents
- ❖ Publicly traded
- ❖ M&A transactions
- ❖ **Business Collaborations**

Effective SBIR participation is about Collaborations:

- ❖ Just about every major corporation with any form of US presence has some level of in-place working relationship(s) with at least one - and often several - SBIR firms
- ❖ Increasing numbers of mid-sized corporate entities - \$2-10B billion revenue - are reporting SBIR collaborations particularly useful complements and supplement to internal capabilities
- ❖ Some SBIR Awardees are finding each other. Others – some, it seems, at initiative of agency personnel (especially in mission agencies) – are teaming to take on projects larger/more complex than they could tackle alone

Useful indication of extent of Corporate (Tech Seeker) and SBIR Awardee working relationships (5/28/2017)

M&A Transactions	Total number of SBIR-STTR involved small firms 1983-present	24,128
	Tech Seekers having identified technology-based working relationships with one/ more SBIR-STTR involved firms	3,211
	SBIR-STTR involved firms identified as having working relationships* with one/ more Tech Seekers. *Data may not be complete	c7,600
	Estimated percentage of SBIR awardees with Tech Seeker relationships	c.32%
	Total M&A transactions involving Tech Seeker and SBIR-STTR involved firm	2,070
	Percentage of SBIR-STTR involved firms having been acquired	8.58%
	Total number of Tech Seekers having acquired SBIR-STTR Involved firms - many having multiple such deals	1,288
	Tech Seekers with equity position(s) in SBIR-STTR involvd firms: some through Corporate VC vehicle; others using some other mechanism	362
	Total number of SBIR-STTR Involved firm having one or more Corporate Investors	710
	Percentage of VC funded SBIR-STTR firms having a Corporate investor	22.36%

Tech Seeker-SBIR collaborations:

- ❖ Our data – ever a work in progress – indicates over 3200 Large/Mid-sized corporations (US and International) having **Working Relationship(s)** with one/several SBIR involved small firms: partnering with, licensing to/from, investing in and acquiring etc. See following slides
 - ❖ The Primes – Defense and aerospace – were an early and continuing presence. While still important, these numbers now pale by comparison to extent of SBIR pro-active engagement by major and mid-sized corporate entities across every other industry segment.
 - ❖ An interesting reflection of economic shifts – corporate downsizing; Mergers etc – are the number of SBIR Firms (established and start-up) with management / key employees out of those larger firms
 - ❖ Over life of program to date, this has involved **6500-7000 Awardees**: some 30+% of all Awardees. Indications are that among more recent awardees (new and returning) that percentage is **considerably higher**.
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- ❖ Very striking recent data: serious up-tick in active SBIR engagement involving academic and research institutions: 1900+ so far ...and counting. For its potentially important impact on program management and resource allocations, should be an area of focus

Forms of business relationship:

- ❖ Letter of Support
- ❖ Research contract
- ❖ SBIR sub-contract
- ❖ Asset purchase
- ❖ Project collaboration
- ❖ Joint Venture
- ❖ Co-Marketing
- ❖ OEM supplier
- ❖ Strategic alliance
- ❖ Product purchase
- ❖ Supply agreement
- ❖ Out-Licensing
- ❖ Service agreement
- ❖ In-Licensing
- ❖ Acquisition
- ❖ Minority equity position

Focused Technology Acquisition: Types of Relationship by Source

Who pays the freight?	Nature of the relationship	"Traditional" sources:					SBIR-involved
		Academic Institutions	Non-Profits	Federal Research Facilities	Government Agencies	Other Corporate Entities	
At Tech Seeker Expense	Licensing From	✓	✓	✓	✓	✓	✓
	Personnel exchange	✓	✓	✓	✓	✓	✓
	State-of-the-art Briefings	✓	✓	✓	✓	✓	✓
	Consulting/ know-how transfer	✓	✓	✓	✓	✓	✓
	Sponsored / Contract R&D	✓	✓	✓	✗	✓	✓
Potential ROI to Technology Seeker	Equity in Spin-off	✓	✓	✗	✗	✓	✓
	Equity in Source	✗	✗	✗	✗	✓	✓
	Licensing To	✗	✗	✗	✗	✓	✓
Collaborator can Fund Tech Seeker	Sub-Award on Third-Party Funded project	✗	✗	✗	✗	✓	✓
	Transition to Federal Sole-Source procurement	✗	✗	✗	✗	✗	✓

Legend:

- ✓ An available business relationship option
- ✓ Possibly available as business relationship option
- ✗ Not a business relationship option