

Ian M. Berkowitz

U.S. to help boost small businesses

As a business attorney and someone who helps businessmen and women take action to start, grow and expand their dreams of entrepreneurship, I come into contact with many inventors and developers of a wide variety of products and services.

The quest by men and women to tinker and create is at an all time high. I personally believe that some of us, by nature, are always looking for ways to "build a better mousetrap."

The numbers confirm the growth. In 2005, the U.S. Patent and Trademark Office received approximately 418,000 patent applications and in 2006 that same government agency granted approximately 197,000 patents.

Inventing and innovating is growing steadily. We are truly living in an incredible time of tremendous technology-development, and massive innovation even with general products and services.

Many of you might not be aware of this but the U.S.-government has a great financial grant program available for inventors, developers, visionaries and innovators. The Small Business Innovation Research Program, commonly referred to as the SBIR program, is a government assistance program that provides a vehicle for entrepreneurs and small businesses to explore and exploit their technological potential.

Business boost

The SBIR program creates a boost to entrepreneurs and innovators by providing the money necessary for entrepreneurs to maximize their profitability from the commercialization of their invention.

The SBIR program targets the small business community because that is where the most innovation is created and innovators thrive. The program requires that a specific percentage of federal money be set aside for small businesses for research and development in order to protect small businesses and enable them to compete on the same level as larger businesses. SBIR program allocated dollars fund the critical startup and development stages of small businesses and in turn encourage the commercialization of their technology, product, or service into the marketplace.

Since its enactment in 1982, as part of the Small Business Innovation Development Act, the SBIR program has helped thousands of small businesses to compete for federal research and development awards. The criterion for obtaining your piece of the pie is truly simple. Your business must be American-owned and independently operated, be a for-profit entity, the principal researcher developing the technology must be employed by the business and the company cannot employ more than 500 employees. If you meet the criteria then you are eligible to apply.

Funding guarantee

Each year, 11 federal departments and agencies are required by the SBIR program to reserve a portion of research and development funds for award to small business. These agencies include: Department of Agriculture, Department of Commerce, Department of Defense, Department of Education, Department of Energy, Department of Health and Human Services, Department of Homeland Security, Department of Transportation, Environmental Protection Agency, National Aeronautics and Space Administration and the National Science Foundation.

Annually, these agencies designate their research and development priorities, advertise their



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needs and then accept proposals. However, you can go to an agency with your idea and pitch your technology in order to make it a priority for them.

Once proposals have been submitted, the agencies then make SBIR awards based upon the small business' qualifications, degree of innovation, technical merit, and future market potential.

Small businesses that receive awards then begin a three-phase program. Phase I is the startup phase. Awards up to \$100,000 are given at Phase I to a business for approximately 6 months support in order to explore the technical merit or feasibility of an idea or technology.

Awards up to \$750,000 are given during Phase II for a period of up to 2 years to expand Phase I results. During this time it is expected that the research and development work is performed and that the business evaluates the commercialization potential.

Only Phase I award winners are considered for Phase II. Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. At this stage the government is counting on the business to find funding in the private sector or by some other non-SBIR program federal agency funding. What are you waiting for, put your pen to paper and get going.

Ian M. Berkowitz is a former attorney/advisor with the United States Small Business Administration in Washington D.C. During his tenure with the Federal Government he specifically worked in the areas of disaster relief for homeowners and businesses and government contracting. He is currently a practicing business and real estate attorney in Boca Raton. In addition to his law degree, Ian also holds a Masters Degree in Government from The John Hopkins