

# HAWAII SMALL BUSINESS INNOVATION RESEARCH PROGRAM (HSBIR)

**FY24 Funding Cycle**



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## Why SBIR / STTR?

- One of the largest sources of seed capital in the United States
- \$4 billion set aside annually
- Not a loan - no payback
- Non-dilutive funding
- Supports R&D and financing of cutting-edge technologies

# Wraparound Services

## Innovate Hawaii Provides:

- SBIR orientation
- Training workshops
  - In-person
  - One-on-ones
  - Webinars
- Wraparound services including
  - Tech Driven Market Intelligence
  - IP
  - Commercialization assistance
  - Proposal assistance

## Wraparound Services

### Innovate Hawaii Provides:

- Connection to Resources and Customers
  - NSIN Propel Hawaii
  - xTech Pacific
  - Quest Accelerator: Hawaii
- Pacific Tech Conference
- National Conferences
  - TechConnect World
  - Defense TechConnect
  - Operational Energy & Logistics, HI
- Product development assistance via HTDC-Manufacturing Extension Partnership (MEP)

# Newer Obstacles for SBIR Companies

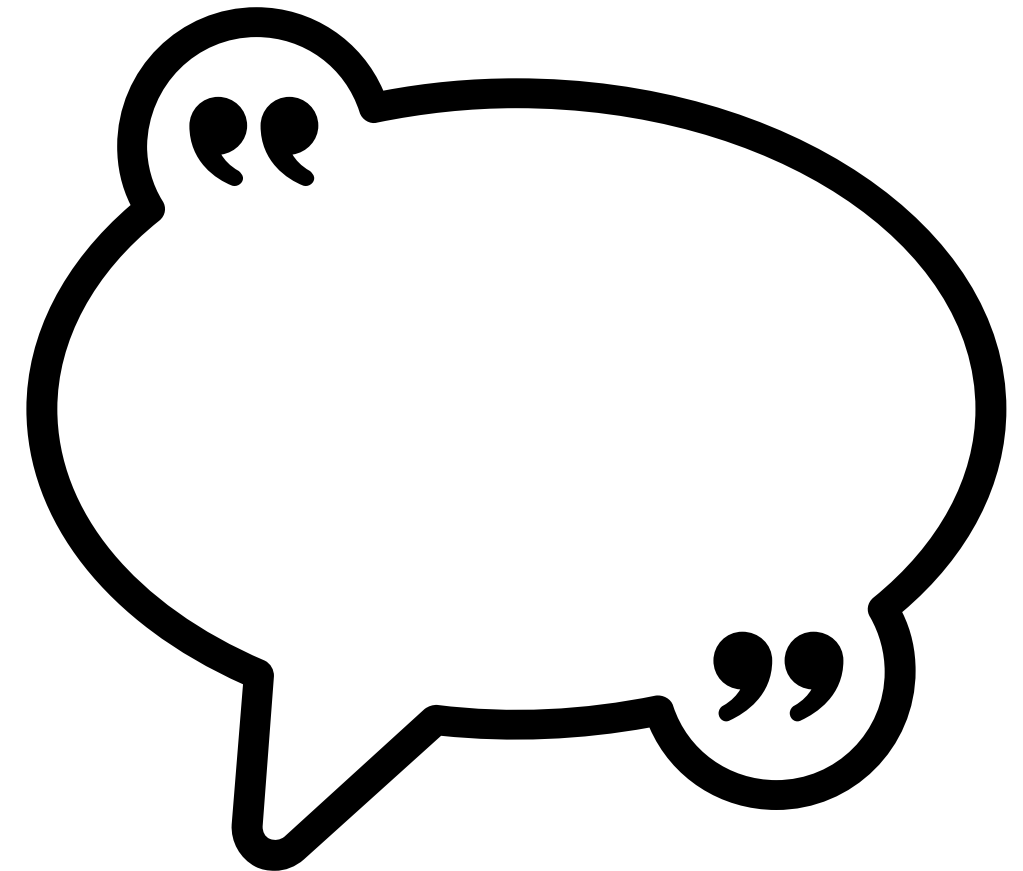
## Requirements for SBIR Companies

- CMMC 2.0 (Cybersecurity Maturity Model Certification) for DOD
- Transition Rate Benchmark assessments (min. 25%)
- Commercialization Rate Benchmark reporting
- Required Disclosures of Foreign Affiliations or Relationships

SBIR is long and winding process.

# Testimony

*I would emphasize that for some of the other projects that we were awarded [matching] grants, but did not win any SBIR follow-on work, we were able to improve relationships and quality of product to pick up other non-SBIR work. The matching grants have also enabled us to expand our capabilities into newer technologies such as advanced materials (drop-stitch), underwater vehicles, autonomous systems, and electric propulsion. The success rate with grants may improve even further if we can get them earlier in the SBIR cycle to help better leverage the funds towards a Phase II or Phase III proposal. The grants are certainly justified in both the increased success rate of SBIR awards and the expanded capabilities of Hawaii companies.*



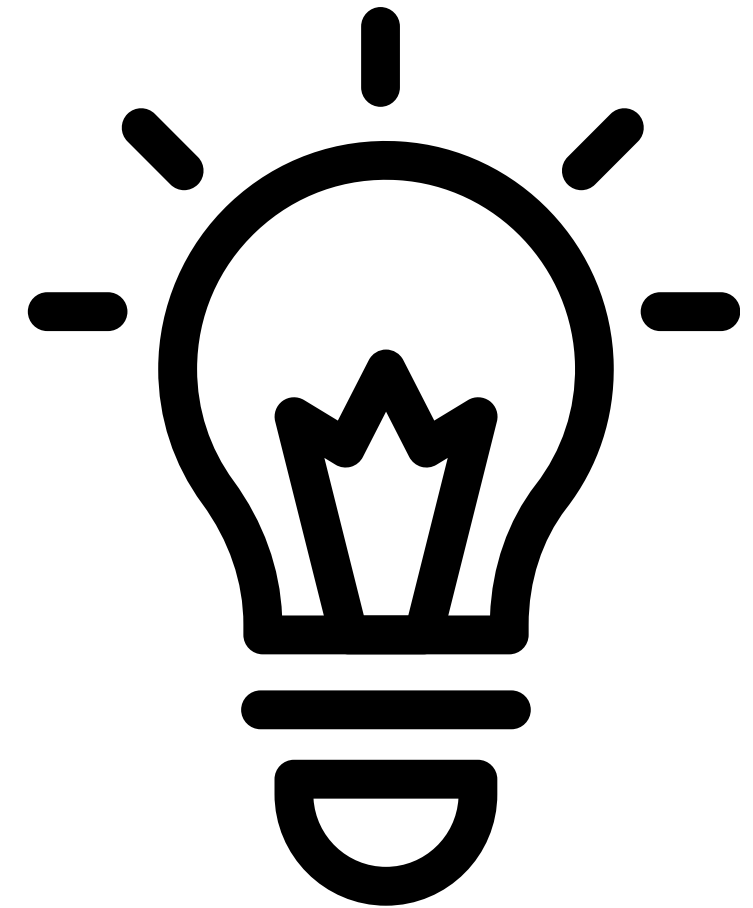
# HAWAII SBIR (HSBIR) MATCHING GRANT

- Up to 50% of Federal Phase I, II, and III awards
- Helps Hawaii companies compete
- Flexible expenses
- Technical and business assistance



# HSBIR Phase 0

- Phase 0 funding up to \$3,000
- Only first time SBIR/STTR applicants are eligible
- Reimbursement for grant review assistance
- Proof of submission, invoice





# FY24 HAWAII SBIR SUMMARY

## Phase 0

2 companies  
awarded  
\$5K HSBIR  
funding

## Phase I Impacts

Total Apps Rec'd	13
Total Apps Awarded	11
Total Federal Awards	\$2.46M
Total Grant Request	\$926K
Total Match Awarded	\$495K

### Projected Impact

New Employees	127
New Jobs >\$80K/year	71

## Phase II/III Impacts

Total Apps Rec'd	20
Total Apps Awarded	17
Total Federal Awards	\$28.7M
Total Grant Request	\$7.8M
Total Match Awarded	\$2M

### Projected Impact

New Employees	208
New Jobs >\$80K/year	175

# **HSBIR Program Short Term Goals**

## **Next 1-3 years**

- **Continue to grow pipeline of new companies to SBIR**
  - **University of Hawaii (2/year)**
  - **Accelerators (1/year)**
  - **Existing companies looking to enter federal market (1/year)**
  - **New Hawaii startups (1/year)**
- **Continue to support Hawaii SBIR companies with wraparound services and matching funds**

# **HSBIR Program Long Term Goals**

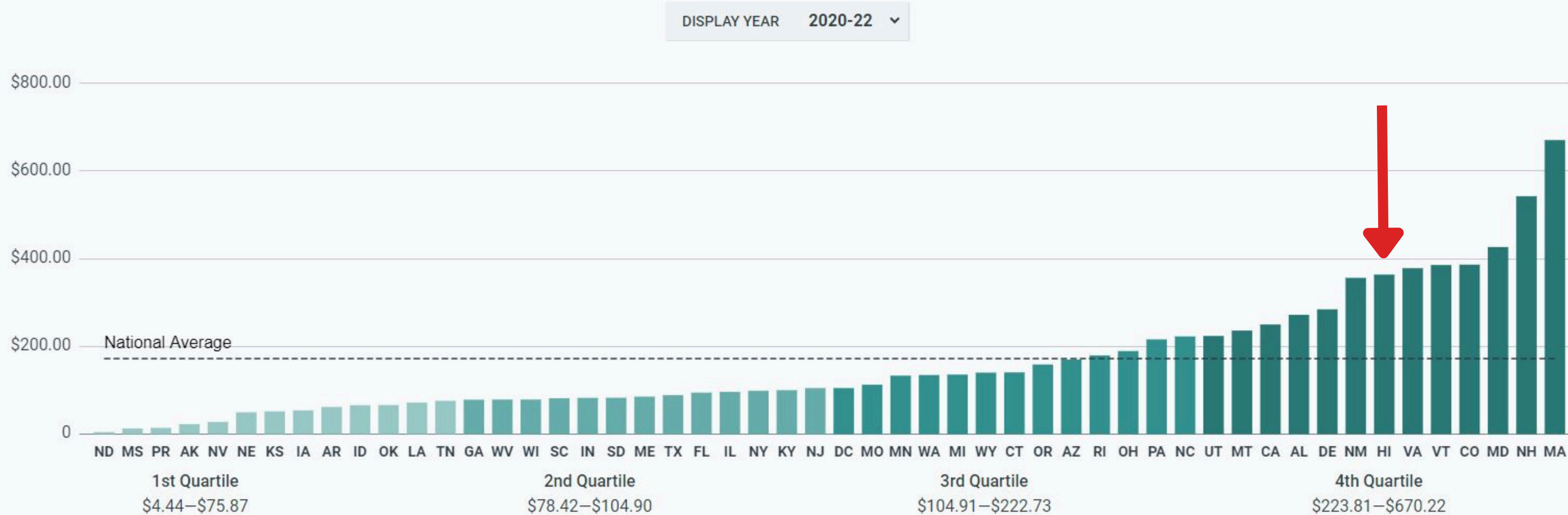
## **4-7 Years**

- **Assist companies to transition off SBIR funds**
  - **Continue to connect companies with customers**
    - **Tech Bridge & EXWC/PIA**
    - **Pacific Tech Conference**
    - **NSIN/DIU & OTAs**
    - **Primes**
    - **Test and Evaluation events**
  - **VC funds via HI-Cap/private**
    - **Accelerator for business and pitch readiness**

# Hawaii Ranked no. 21 in 2014-2016

# Hawaii Ranked no. 7 in 2020-2022

Average Annual Federal Small Business Innovation Research and Small Business Technology Transfer Funding per \$1 Million of Gross Domestic Product



# Average Transition from Phase I to II And Phase II to III Projects

**National Average (Phase I to II)\* - 53%**

**Hawaii Average (I to II)\*\* - 58%**

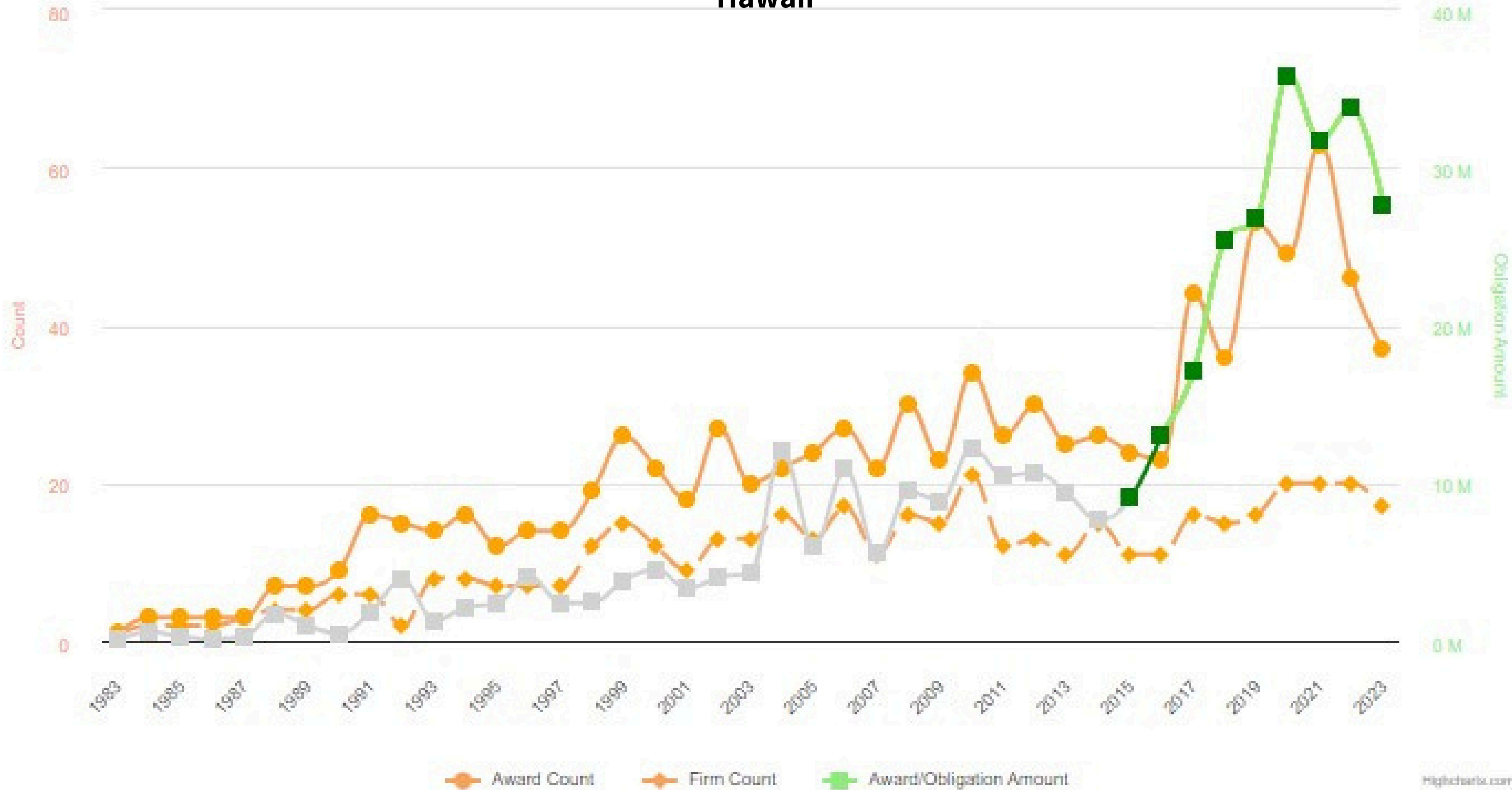
**Hawaii Average (II to III)\*\* - 70%**

**\*Assuming Phase II all came from a Phase I project**

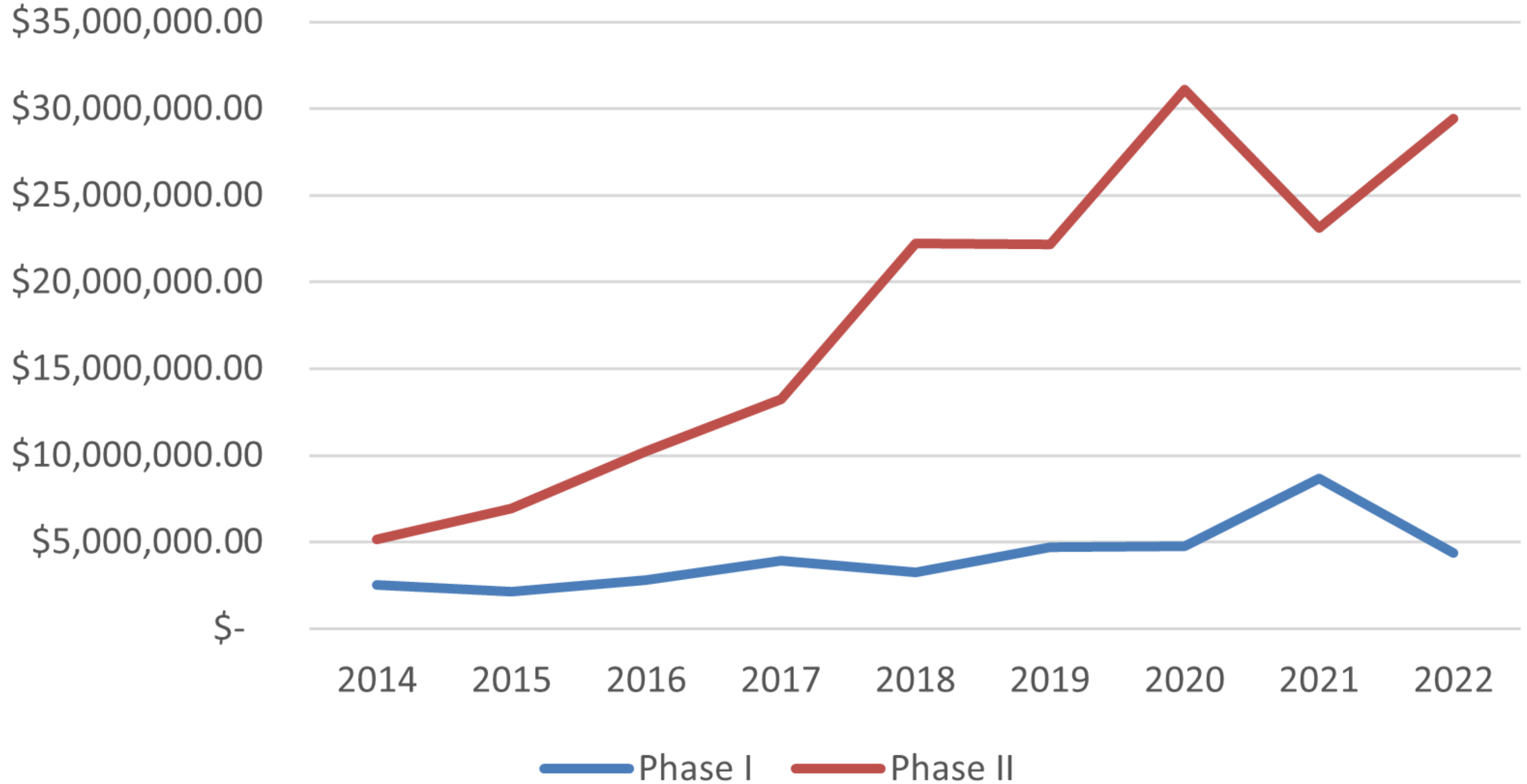
**\*\* From small subset of Hawaii companies that are repeat awardees**

# Award Summary By Year

## Hawaii



## Hawaii SBIR/STTR Phase I & Phase II by Funding



# Questions?



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**Mahalo!**

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