SBIR Inclusion Discovery

Insights from the Federal Innovation Ecosystem: Customer Discovery Findings

Grant Warner, Ph.D.
g_warn@howard.edu
grant@guruinnovation.co
Prior work

Recommendations from Innovation, Diversity & the SBIR/STTR Programs Workshop

Focus on pipeline of under-represented groups

Provide Opportunity for MSI participants to learn about R&D work and gain entrepreneurial skills

Partner with existing networks

Reach potential applicants early in their academic or business careers

SBIR Inclusion Discovery
From a founder and ecosystem support perspective

Understand participation gap from a founder’s perspective.
   What are the barriers to participation?

   How well do current programs meet their needs?

   What are best practices for engaging the community?
<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>INTERVIEWEES</strong></td>
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<td><strong>Race or Role</strong></td>
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<td>SBIR APPLICANTS</td>
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<td>BLACK</td>
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<td>BROWN</td>
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<td>SBIR Awardees</td>
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<td>BLACK</td>
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Key Findings

- **Academic Applicants**
  - Proposal writing advantage
  - R1 institutions have large support network advantage
  - MSIs lack resources for Lab-to-Market support

- **Non-Academic Applicants**
  - Grantsmanship disadvantage
  - Social Capital Deficit
  - Credential Bias

- **Entrepreneurship Support Organization (ESO)**
  - SBA funded ESOs are not optimally positioned in Black/Brown Ecosystem
  - Black/Brown ESOs are not engaged with SBIR
Key Themes

Application details unclear/onerous

Bias, Elitism, Racism

Low Awareness of SBIR

Limited personal network for support

Negative perception of the program

Weak support during application development

Communication on status [from agency]
“If you are in a startup and don’t have an academic [background] of writing proposals, you don’t have a chance [of being awarded an SBIR]”
Non-Academic applicants more likely to view application as barrier
Non-Academic applicants more likely to view application as barrier
Application as a barrier

<table>
<thead>
<tr>
<th>Black/Brown SBIR Applicants + Awardees</th>
<th>0%</th>
<th>10%</th>
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Application as a barrier

Black/Brown SBIR Applicants + Awardees

Application details unclear/onerous

“Proposal was daunting”

“must be from an academic program for odds to increase”

“I am not a grant writer”

Application – “Don’t speak that language – I guess”

Limited personal network

Negate

Weak Support during application development

Communication on Status

Black/Brown Academic SBIR Applicants + Awardees

Application details unclear/onerous

“Budget was confusing”

“Mechanics of submission is difficult”

Limited personal network

Negate

Weak Support during application development

Communication on Status
Issues with application

Solicitation unclear
Samples not readily available
Commercialization plan details
Relationship Capital Required
“Is there a magic formula to getting this money?”
Differentiated Support

Awardees were more likely to have support during process.
Differentiated Support

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Differentiated Support

Awardees were more likely to have support during process
Examples of “Support”

Solicitation Guidance
Budget Guidance
Letters of Support Templates
Proposal Reviews
Proposal Samples
Customer Discovery
Examples of “Support”

Solicitation Guidance
Budget Guidance
Letters of Support Templates
Proposal Reviews
Proposal Samples
Customer Discovery

Advantages most prominent in Research 1 institutions
MSIs generally understaffed
“…access to the information… I don't think there's enough [access]”
Low Awareness of SBIR

Black/Brown SBIR Applicants + Awardees

- Application details unclear/onerous
- Bias, Elitism, Racism
- Low Awareness of SBIR
- Limited personal network for support
- Negative Perception of Program
- Weak Support during application development
- Communication on Status

Bar chart showing the percentage of concerns among Black/Brown SBIR applicants and awardees.
## Low Awareness of SBIR

### Black/Brown SBIR Applicants + Awardees

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### Entrepreneur Support Org.

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<td>Planning</td>
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<td>Application Gap - Letter of Support</td>
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Low Awareness of SBIR

Black/Brown SBIR Applicants + Awardees

FAST- Awardees
Funded by America’s Seed Fund

“...there's also not a lot of tools that are intentional to help us recruit brown and Black people...”

Ecosystem: Strong ties to the academic ecosystems, SBDCs, and other federally funded programs.

INSIGHT: Black and Brown “community” entrepreneurs have different networks, and are less affiliated with these organizations.
Low Awareness of SBIR

**Black/Brown SBIR Applicants + Awardees**

**FAST- Awardees**
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**Black/Brown ESOs**

“SBA is old fashioned. Has outreach and image problem.”

**Ecosystem:** Underrepresented entrepreneurs

**INSIGHT:** Minimal outreach to organizations not already in SBA ecosystem. Investors circle universities due to support for advanced commercialization.
“the...thing that kind of raised my eyebrow is when you look at the demographics of the award winners...”
“it may not be intentional, but [at this point in time] its not an accident”
Is the system working as planned?

“it may not be intentional, but [at this point in time] its not an accident”

“I was on a panel…somebody said you need a Ph.D. to do research”
“it may not be intentional, but [at this point in time] its not an accident”

“I was on a panel…somebody said you need a Ph.D. to do research”

“I submitted a proposal for an SBIR. The reviewer notes said that I wasn’t qualified. So next cycle, I got a white PhD, put him on the exact same proposal and resubmitted it. It was selected.”
Intentional Initiatives

Mission: Increase generation of ideas

“...we've seen a lot of success in getting companies who've never done business for the [agency] before into that pipeline...”

INSIGHT: *Ease of access* increases DIVERSITY of awardees.
Envisioning a Different Future
Academic Ecosystem

Key Findings & Future Growth

Academic Applicants

• Proposal writing advantage
• R1 institutions have support network advantage
• MSIs lack resources for Lab-to-Market support

How might we build capacity at HBCUs/MSIs to enable pathways for their community to engage in Federal lab-to-market programs, e.g. SBIR?
Non-Academic Ecosystem
Key Findings & Future Growth

Non-Academic Applicants
• Grantsmanship disadvantage
• Social Capital Deficit
• Credential Bias

How might we provide better support to non-academically affiliated entrepreneurs for Federal lab-to-market programs, e.g. SBIR?
Support Ecosystem

Key Findings & Future Growth

Entrepreneurial Support Organizations
• SBA funded ESOs are not optimally positioned in Black/Brown Ecosystem
• Black/Brown ESOs are not engaged with SBIR

How might we support authentic partnerships for ESOs serving communities of color to expand awareness and resources for Federal lab-to-market programs, e.g. SBIR?
If you want to go fast, go alone.
If you want to go far,
GO TOGETHER.

African Proverb
Acknowledgements

SBA Office of Investment and Innovation
Lab-To-Market Subcommittee
National Science Foundation
Established
guru innovation group team
  Qyana Stewart
  Julie Collins
  Katherine Picho
  Kwesi McDavid

For additional information about the study: www.sbirinclusion.com
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For follow up: grant@guruinnovation.co