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February 10, 2012

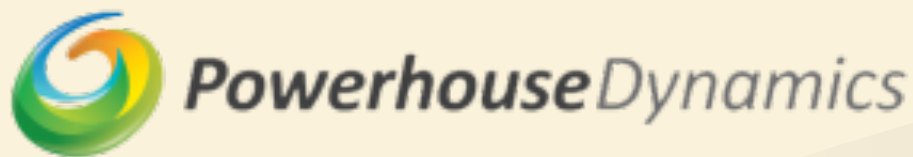
SBIR/STTR Alumni Network Meeting

Moving Beyond SBIR Funding
To
Successful Commercialization

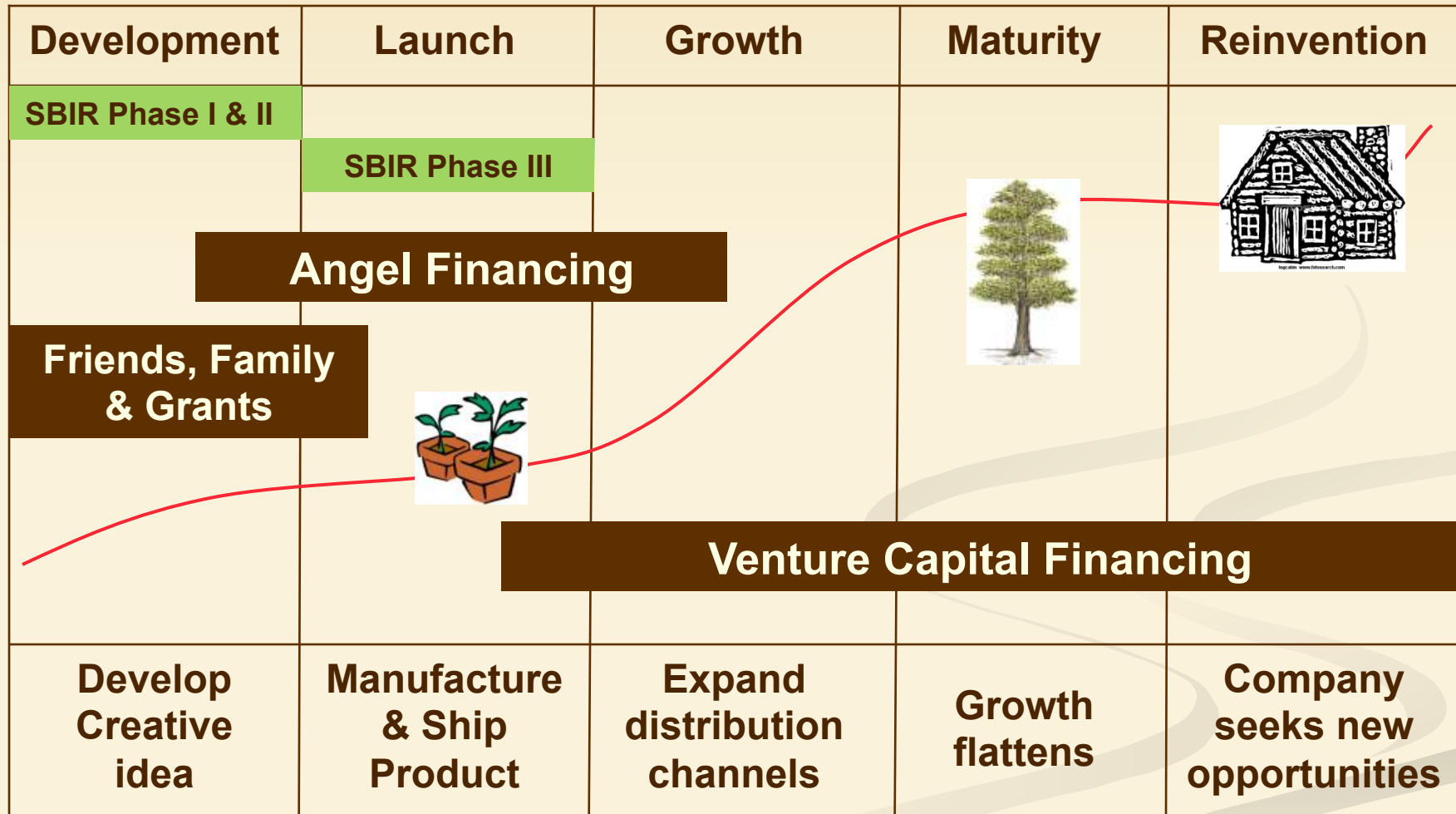
Industry Experience

- 25+ Year Career in Defense Electronics Industry
- Electronic Engineer with 12 Patents issued.
- Industry experience at ITT, Raytheon, ERI, Honeywell
- Founder & CEO of Electro-Radiation Inc. (ERI)
- 1998 SBA National Tibbetts Award winner
- 2004 sold ERI to Honeywell
- 2010 NJTC Financier of the Year
- Member IEEE, VANJ, NJTC, NDIA, AOC...
- Chairman, Jumpstart NJ Angel Network
- Board Member of For-Profit and Non-For-Profit Organizations
- Currently Angel Investor and Business Advisor

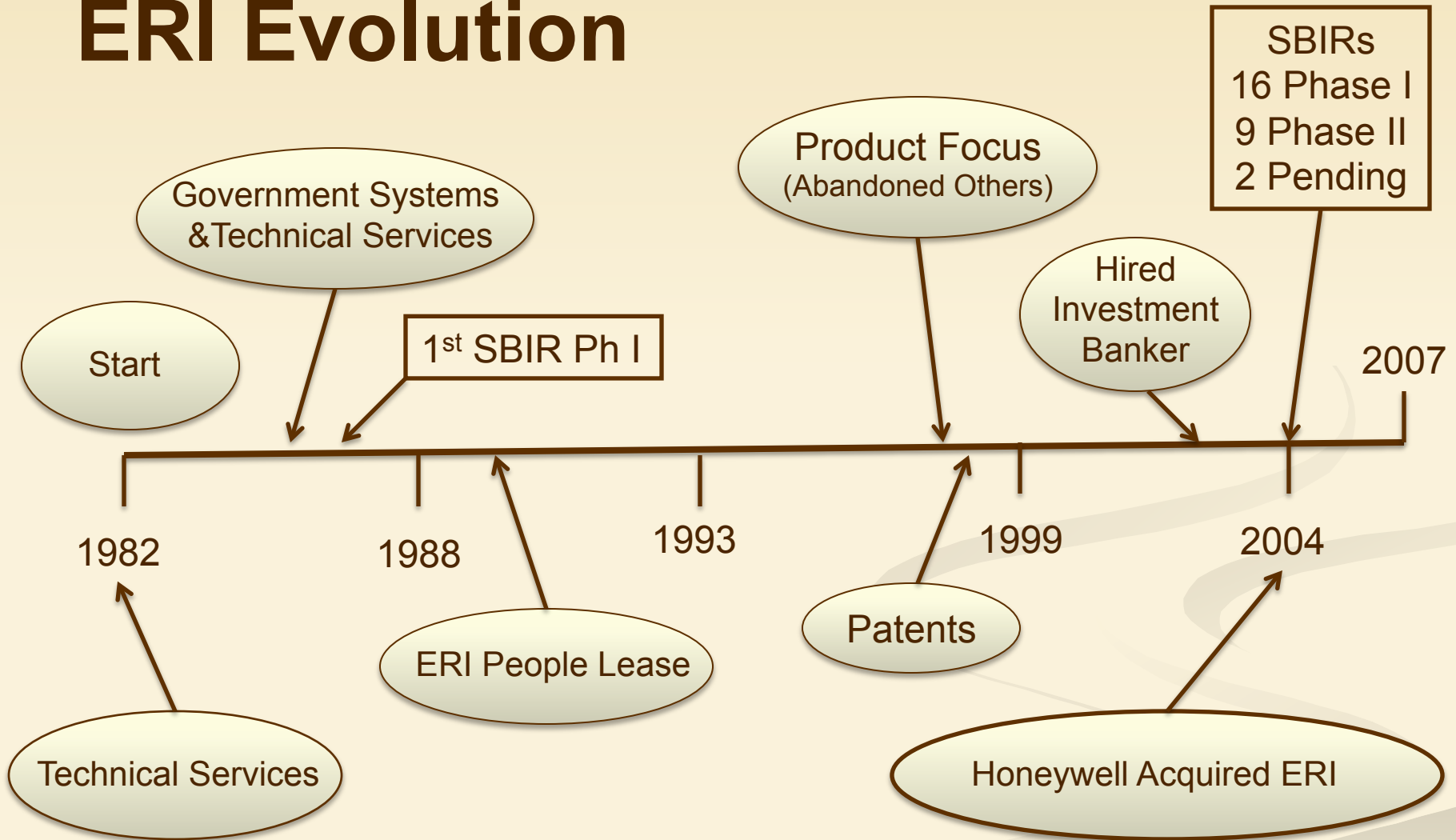
Portfolio Companies



Typical Company Evolution & Funding



ERI Evolution



ERI' s SBIR Statistics

- Quantity - Awarded
 - 16 Phase I SBIRs
 - 7 Phase II SBIRs
 - 2 Phase II Plus contracts
 - 2 Phase II in negotiations when HON acquired ERI
- From 1987 to 2003 we averaged 4-5 Phase 1 SBIR proposals per year (70-75 total proposals).
- Some were recycled proposals.
- That gave us about a 21% success rate on Phase 1, and
- 56% success rate on Phase 2 conversions.
- **Used to finance Internal R & D without Equity Partners!**

SBIR Phase II Awards

- The broad assortment of Technology:
 - Artificial Intelligence/Expert System for Army Apache AH-64
 - Multipoint Target Augmenter for USN drones
 - Fiber Optic RF Delay Line for USAF
 - **(HTSC) GPS Anti-Jam μ CRPA Antenna for USAF**
 - **Enhanced AJ FRPA - GPS AJ for Comanche RAH-66 for Army**
 - **GPS Anti-Jam for Army Missiles**
 - **Protecting GPS in a Tumbling Environment for MDA/USAF**
 - Multipoint Training Target for MDA/USN SPAWAR (almost)
 - RFID Tag Return Path Tracking for Army (almost)

Casabona's Top 10 Ways to Commercialize an SBIR Award

February 9, 2012

Casabona Ventures, LLC

Top 10 Ways to Commercialize an SBIR Award

#10 – I'll call my Congressman or Senator to help get an award!

Please don't!

It is not an appropriation or an ear-mark. Avoid getting a politician involved.

Top 10 Ways to Commercialize an SBIR Award

#9 – I'll hire a consultant to get an award?

Nice try!

Spend time building a relationship with PM. The SBIR RFP process is an open and fair competition. Write a compelling proposal. Save your money

Top 10 Ways to Commercialize an SBIR Award

#8 – I have the best idea in the world...
the award is in the bag!

You think?

You are not the smartest guy in the room. Even if you know the PM he has to answer to a contracting officer.

Top 10 Ways to Commercialize an SBIR Award

#7 – I have a Phase I. It's my ticket to a Phase II and commercialization!

Not really...wishful thinking.

Phase I is just an opportunity to start your commercialization process. It is also a short term indication of interest by a potential customer. Do a great job on the Phase I.

Top 10 Ways to Commercialize an SBIR Award

#6 – My technology IP is protected by the SBIR contract!

Sort-a-kind.

The Government has shared ownership of anything you do under the contract. You have sole rights for a limited time period. Investors need more. Negotiate data rights clause.

Top 10 Ways to Commercialize an SBIR Award

#5 – I have a Phase II so I'm assured of a Phase III.

It's not that easy.

You need to start the commercialization process at Phase I. Phase III funding is not SBIR. You need to go out and find a home/customer for your product ASAP. Ask your PM for help.

Top 10 Ways to Commercialize an SBIR Award

#4 – The SBIR Phase II award will help in attracting investors.

You betcha.

The SBIR validates your idea as well as de-risking the investment opportunity. It is also a way of building your product without diluting your equity.

Top 10 Ways to Commercialize an SBIR Award

#3 – I can grow the company and sell on my own.

Some what true...but a slow process.

Directors, Advisors, Mentors or Investors can provide guidance and support to speed your success and avoid pit falls. Investment Bankers speak a language that M&A folks understand which speeds the process. Consider impact to valuation.

Top 10 Ways to Commercialize an SBIR Award

#2 – Investors are not interested in financing federal programs.

Not true.

Investors and strategic partners appreciate the de-risking aspects of the SBIR program. Grants directly affect valuation of Company. Federal customer are not the only way to commercialization.

Top 10 Ways to Commercialize an SBIR Award

#1 – I won an SBIR therefore I have a customer.

False.

If your intent is to build a business around the technology make sure there is a market for it otherwise the SBIR activity will “die on the vine.” Sometimes the SBIR PM is just doing R&D. Use the SBIR to augment your IR&D.

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