The United States’ Implementation of “Innovation Partnerships” Through the Small Business Innovation Research (SBIR) Program: A Critical Assessment

International Conference on Public Procurement and Innovation in Africa

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Small Business Innovation Research (SBIR) Program

How It Works

Participating in America's Seed Fund happens in three phases.

**Phase I**
- **Proof of Concept**
  - 6-12 months
  - $50,000 - $275,000

**Phase II**
- **Technology Development**
  - 24 months
  - $750,000 - $1.8 million

**Phase III**
- **Commercialization**
  - Take your product to the commercial market or sell in the multi-billion dollar federal contracting marketplace
Small Business Innovation Research (SBIR) Program

Keep your equity and IP.

Change the World.

4,000
Average number of companies funded per year

$4 Billion
Funds invested each year

0%
Equity or IP ownership taken by the government
Risk Points

How It Works

Participating in America’s Seed Fund happens in three phases.

Phase I
Proof of Concept
6-12 months
$50,000 - $275,000

Research Goal Selection – per SBA, to accommodate small businesses

Phase II
Technology Development
24 months
$750,000 - $1.8 million

Phase III
Commercialization
Take your product to the commercial market or sell in the multi-billion dollar federal contracting marketplace

Sole Source Preference (prime and subcontract)
Small Business Innovation Research (SBIR) Program

Only 79 successful Phase 3 commercializations in FY14 in Defense Department (2% of 4000)

SBIR is “tax” of 3.2% on major (over $100m) agency research budgets

SBIR small sliver – and most R&D through grants, not contracts

60% of $700 billion in federal contracting done by competitive dialogue – more important driver of innovation

Normally Government retains license to funded technology


• European Defense Fund, EU Regulation 2021/697 (Apr. 29, 2021) (given increasing geopolitical risks the purpose of the EDF is to strengthen the European defense technological and industrial base)


• Section 809 Panel, *Report of the Advisory Panel on Streamlining and Codifying Acquisition Regulations*, Vol. 1, January 2018

• U.S. Small Business Administration, *Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program: Policy Directive* (May 2023)

• U.S. Small Business Administration SBIR Director: Erick Page-Littleford, erick.page-littleford@sba.gov
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