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Tennessee Technology Development Corporation Launches New Program to Fuel Tennessee Small Business

*Novel Program Provides Much-Needed Funding to State's Innovators to Improve
Chances of Securing Federal R&D Dollars*

Nashville, Tennessee, March 13, 2008 – The Tennessee Technology Development Corporation (TTDC), the state's lead organization for promoting technology-based economic development, today launched an innovative new program to help small businesses improve their potential for securing research and development funding from the Federal Government.

The Phase 0 Grant Program will provide up to \$4,000 in funding to qualified businesses that need assistance applying for federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants. SBIR/STTR is a highly competitive, nationwide grant program designed to stimulate innovation and development in high technology industries. Phase 0 grant money will be used to improve the quality and competitiveness of SBIR/STTR Phase I proposals coming out of Tennessee.

TTDC has allocated \$100,000 for the Phase 0 grant program and will begin accepting applications Monday, March 17 at 12:00 CST. The agency will accept submissions until the June 30 deadline or until funds are exhausted.

"Tennessee boasts some of the most innovative businesses in the nation, but too often they are held back by a lack of financial resources and industry connections," said Eric Cromwell, president and CEO of TTDC. "The federal government has billions of dollars in grant money set aside each year that, if secured, could advance the mission of these businesses and, in turn, the economy of our state. TTDC has created the Phase 0 Grant Program to remove barriers to high tech and biotech businesses applying for these grants."

Increasing the amount of federal research funding coming into Tennessee is a primary focus of TTDC, which recently partnered with the University of Tennessee Center for Industrial Services to raise awareness of the SBIR/STTR process among small businesses throughout the state. Last year, the federal government awarded over \$2 billion in research dollars to small businesses across the nation, but only a small fraction of those funds came to Tennessee.

In 2005, the most recent year with complete SBIR/STTR data, Tennessee companies were awarded 43 grants, totaling \$12.5 million. This compares to a state such as
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Alabama whose companies received 150 awards and \$36.3 million in funds.

TTDC attests that by offering companies modest grants and technical assistance it will allow them to submit stronger SBIR/STTR applications, improving Tennessee's chances to bring home more federal R&D dollars in 2008 and 2009. The costs covered by the Phase 0 grants will include consultant services, printing supplies, SBIR/STTR conference and workshop registration fees, database search fees and legal fees for provisional patent preparation costs.

"What a shame if the only thing standing between a Tennessee company and a major research grant is the small amount of financial and technical assistance it takes to submit a quality application," said Cromwell. "TTDC is here to boost innovation and research at a time when our state needs it most. Tennessee has a large and diverse research base consisting of some of the leading scientific and technology minds in this country. It is only fitting that the work going on here is fully recognized, rewarded and leveraged."

SBIR/STTR is a two -phase program. Phase I is a feasibility study to determine the merit of a technology or product for which an applicant can receive up to \$100,000 for six months. Phase II involves R&D focused on prototype development and can draw awards as high as \$750,000 for up to two years, occasionally increasing to seven figure awards by some federal agencies.

TTDC's Phase 0 Grant Program is open to U.S.-owned, for-profit businesses in Tennessee with no more than 500 employees. Applications must be submitted before the candidate applies for Phase I SBIR/SBTT funding. TTDC will accept Phase 0 Grant applications starting March 17 through June 30, 2008. To learn more, visit <http://www.tntechnology.org/sbirsttr.html>

About Tennessee Technology Development Corporation

The Tennessee Technology Development Corporation (TTDC) is Tennessee's lead organization for technology-based economic development. TTDC is a private, nonprofit corporation that operates as a public/private partnership to create wealth, opportunity and prosperity in Tennessee. The organization was created by the state legislature in 1998 to serve as a market-driven mechanism to optimize the use of public and private resources to foster innovation. The program focus of TTDC is to increase the availability of capital – human and monetary – that fosters and supports entrepreneurship and R&D statewide. For more information, visit <http://www.tntechnology.org>

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