

INSTRUCTIONS FOR REVIEWING SBIR PHASE II APPLICATIONS – COMMERCIALIZATION PLANS

SBIR Phase II Applications

The Phase II application includes two components: (a) **Technical Proposal** - includes a description of the technical feasibility by presenting results from Phase I, objectives, work plan, key personnel, outside services, etc (see section 3.3 (E) of the Request for Application); and (b) **Commercialization Plan** – includes a brief information about the company, Phase I outcomes, and relevant technical objectives; potential market, customer and competition, marketing strategy; intellectual property; and financing (see section 3.3 (Q)-). Although the entire application is being mailed to you, we need your assistance with reviewing the Commercialization Plan. As a commercialization reviewer **you are not expected to evaluate the technical proposal**.

Conflict-of-Interest: It is imperative that SBIR avoid even the **appearance** of conflict-of-interest. Therefore, you must disqualify yourself as a reviewer if: 1) the applicant or consultants (if any) is employed at your home institution; 2) you served either as thesis advisor, postdoctoral advisor or a collaborator on a research project or coauthor on a joint publication with the applicant within the past four years; 3) you acted or will act as a paid consultant to the company, or will gain some benefit from the project; or 4) you have any affiliation or financial interest in the firm or the investigators submitting this proposal. If you have a situation about which you are uncertain, please contact the SBIR Office at 202-401-4002 for an opinion.

Confidentiality: The Department of Agriculture receives research proposals in confidence and is responsible for protecting the confidentiality of their submission and contents. For this reason, confidentiality must be maintained -- **therefore DO NOT copy, quote, or otherwise use material from this proposal**. If you believe that a colleague can make a substantive contribution to the review, please consult us before contacting your colleague. When you complete the review, **please destroy this proposal and maintain its confidentiality. If you are unable to review, please contact the SBIR office, destroy the proposal and maintain its confidentiality.**

Reviews: The SBIR program will be utilizing the new Web-Based Peer Review System (PRS) that has been developed by USDA-CSREES. Information about the PRS system is contained in the cover letter that accompanies each proposal for review.

The most useful reviews point out the proposal's strengths and weaknesses and include specific criticisms that you feel are warranted. The following points should be considered in preparing your review:

Company Information: In your opinion can the proposed product/service (or technology) fit within the overall objectives of the company? Is the plan to bring the product/service into commercial use consistent with the company's commercialization philosophy? Does the company have the necessary business network or a plan to develop the network that is needed for commercialization? Does the company have the necessary expertise to successfully commercialize the proposed product/service?

Market Information: Evaluate the market for the proposed project and the appropriateness of the product/service to satisfy a customer need. The commercialization plan must contain adequate information on the marketing and sales strategy; including a description of the market (size, competition, customer characteristics, etc); approach (development or penetration, wholesale or retail); and a schedule showing the projected timeframe from the end of Phase II until commercialization. Similar information is needed for commercialization strategies involving partnering with a manufacturing, marketing, and distribution partner(s), i.e., size, competition, customer characteristics, and in addition, such commercialization strategies should provide information on the characteristics the final consumer market.

Additional Financing Prior to Commercialization: The commercialization plan should indicate how they will raise the necessary financing for Phase III commercialization. Evidence must be provided to indicate that there is a plan for funding: a letter of commitment for follow-on funding; a letter of intent or evidence of negotiations to provide funding; a letter of support for the project and/or some in-kind commitment; or any other specific plan to secure additional funding that may be needed for the sustainability of the business until commercialization (i.e., Phase III). These documents are typically not contained within the commercialization plan but should be included as an additional document in the application package.

Protection of Intellectual Property: For those projects that have the potential for producing new intellectual property, evaluate the company's plan to protect the intellectual property that comes from the proposed research. Would this plan provide sufficient protection and a competitive advantage in time-to-market or longer?

Commercialization from Previous SBIR Grants. Does the company have a **successful** record of commercialization from previous SBIR grants? If the company has not had a prior Phase II application, the commercial potential should be evaluated based on the proposed commercialization strategy and the financing plan. Lack of prior experience may not adversely affect the funding potential.

Format: Proposal guidelines call for 1 inch margins with font size no smaller than 11 point. If you feel the proposal has exceeded these limits, you may wish to comment on this fact in your review. Commercialization Plans are also limited to 10 pages but this page limit does not include letters from consultants or subcontractors and the letters indicating follow-on funding commitment.

Reviewer's Recommendation: Summarize your recommendation in terms of the final action that SBIR should consider. **Please do not give your score in the text of your review**, but instead check your score at the top of the review screen that you will access through the PRS system (excellent, very good, good, fair or poor). A rating of excellent implies a high priority for funding, while a rating of good suggests a low priority for funding. Lower ratings will have little chance of funding.