



# eNewsletter

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Welcome to the *Maryland Minority Research and Development Initiative (MMRDI) eNewsletter* sent to you courtesy of TEDCO and its partners in this Initiative. There are no summer holidays for the SBIR program. The staff at MMRDI continue to work diligently to provide you with answers to your SBIR submission questions and access to timely and relevant SBIR submission resources. Enjoy.

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## **I. SBIR and the Subsidiary and Parent Relationship**

Several MMRDI companies developing software products have asked whether a Letter of Intent from a parent company will strengthen their SBIR proposal. Specifically, they would like to know whether a letter from the parent company expressing an interest in both licensing the software product from the applicant (a wholly-owned subsidiary) and employing the applicant to provide future technical services to facilitate implementation, use, and support of the end product is worthwhile.

A “Letter of Intent from the Parent Company to License the Software Product” probably would not be very valuable since, for SBIR purposes, the parent and applicant companies are considered to be the same company. “Letters of Commitment” from other serious customers can add much greater value to an SBIR proposal, although some companies may have difficulty finding dedicated strategic partners.

A letter from a non-affiliated third party licensee explaining the merits of the software, what it may be willing to pay for a license, and how the software would most likely be deployed lends much more credence to a SBIR proposal. Such a Letter should include an analysis of the marketplace with a discussion of potential revenues, profits, and jobs to be created. Generally, when licensing out, the licensor (applicant firm) must show that licensees (in this case the parent and other customers) can make money with and derive value from the software product (why else would they buy it?). This can be done by discussing the licensee's business model for the software product. This information should be included in the SBIR proposal as part of the applicant’s commercialization plan.

The business model for the services portion of the arrangement must also be discussed, especially as the professional services surrounding the deployment of a software product are typically a major source of Phase III income.

Remember, the ultimate goal of a Phase I SBIR proposal is to convince the reviewers that if the Phase I research is successful, the applicant has the know-how and ability to not only commercialize the product, but also create jobs and/or tax revenues.

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## **II. Spotlight on Success: *YOUR LOGO HERE!!***

We have been spotlighting MMRDI client companies who have recently received either industry awards for their achievements, or won competitive SBIR or STTR grants. Keep forwarding us your successes so that we can honor your accomplishments and celebrate your good fortune with the rest of the MMRDI and economic development community.

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## **III. SBIR Tip of the Month – Maintain Perspective**

Often "pure technologists" act as though everyone can see the value of their creations as readily as they do. Avoid this assumption. In fact, reverse it: Assume you are the only one who sees the benefit of your technology and that you will need to explain your IP’s merits to everyone along your path to market- including investors, clients, and eventual end users. Advocate for your technology by drafting your proposal in a manner that eliminates the possibility for misunderstanding or confusion.

Clearly and concisely describe how your technology will benefit all categories of users to whom

it will be available. Your proposal should articulate how your proposed technology is an improvement over the current state of the art and outline potential problems that may arise during commercialization of products developed from your technology.

Keep in mind that it is not always the case that the end user pays the inventor directly for the use of products derived from his or her technology. A producer or inventor may receive compensation from royalties or licensing to a third party (e.g., distributor, reseller, or licensee) who adds value to derivative products and/or sells them to the end user as a bundled item.

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#### **IV. Pass It On! Upcoming MMRDI Related Events**

- **TEDCO Funding Briefing**  
Date: August 8, 2008  
Time: 2:00 pm - 3:30 pm  
Location: TEDCO Office  
5565 Sterrett Place, Suite 214  
Columbia, MD 21044  
Registration: RSVP required. Send date of briefing and your contact information to [info@marylandtedco.org](mailto:info@marylandtedco.org).  
Cost: Free
- **Orientation to the SBIR Toolkits<sup>SM</sup>**  
Date: August 13, 2008  
Time: 3:00 pm - 4:30 pm  
Location: Prince George's County Economic Development Corporation  
1100 Mercantile Lane, Ste. 115A  
Largo, MD 20774  
Contact: Ajay Gupta  
Phone: 240-731-0756  
Registration: RSVP required, send name and company contact information to [agupta@gsecurity.com](mailto:agupta@gsecurity.com)  
Cost: Free
- **"How to Win SBIR Funding"<sup>SM</sup> Workshop – Spotlight on NASA and DOD STTR**  
Date: August 14, 2008  
\*\* Hosted by SBIR Resource Center and NASA Goddard Space Flight Center \*\*  
Time: 8:30 am - 6:00 pm  
Location: NASA Goddard Visitors' Center  
8800 Greenbelt Road  
Greenbelt, MD 20771  
Registration: Click [here](#). **Registration ends this Friday, August 8, 2008!**  
Cost: \$100 per person to MMRDI and Prince George's County businesses.  
\$200 all others.

**For other events and resources, check out TEDCO's [Calendar of Events!](#)**

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## **V. Open SBIR/STTR Solicitation**

Department of Agriculture

Open: June 27, 2008

Close: September 4, 2008

NASA

Open: July 7, 2008

Close: September 7, 2008

NASA (STTR)

Open: July 7, 2008

Close: September 7, 2008

Department of Defense - 08.3

Open: August 25, 2008

Close: September 24, 2008

Department of Defense 2008 - B (STTR)

Open: August 24, 2008

Close: September 24, 2008

Department of Transportation

Open: July 18, 2008

Close: September 5, 2008

Department of Education (grants)

Open: August 2008

Close: October 2008

Department of Health and Human Services - PHS/NIH (contracts)

Open: August 8, 2008

Close: November 3, 2008

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The opening and closing dates are subject to change. Please contact Jacqueline Du Bois at 410-715-4176 or [jdubois@marylandtedco.org](mailto:jdubois@marylandtedco.org) for updated information.

NOTE: Should you choose to not receive this monthly eNewsletter, please send an email to [jdubois@marylandtedco.org](mailto:jdubois@marylandtedco.org).

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