

Office of Science & Technology (OST)

*Presented to the Joint Appropriations
Subcommittee on Natural and Economic Resources*

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**NORTH
CAROLINA**

DEPARTMENT OF COMMERCE

OST Mission

Improve the economic well-being and quality of life of all North Carolinians ***through advancing science, technology, & innovation***

- Staffs Board of Science & Technology and directly supports Department of Commerce's innovation-driven efforts



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Importance of Science, Technology, & Innovation

No amount of savings and investment, macroeconomic fine-tuning, or taxing and spending can generate sustained economic growth unless accompanied by the countless large and small discoveries that are required to create more value from a fixed set of natural resources

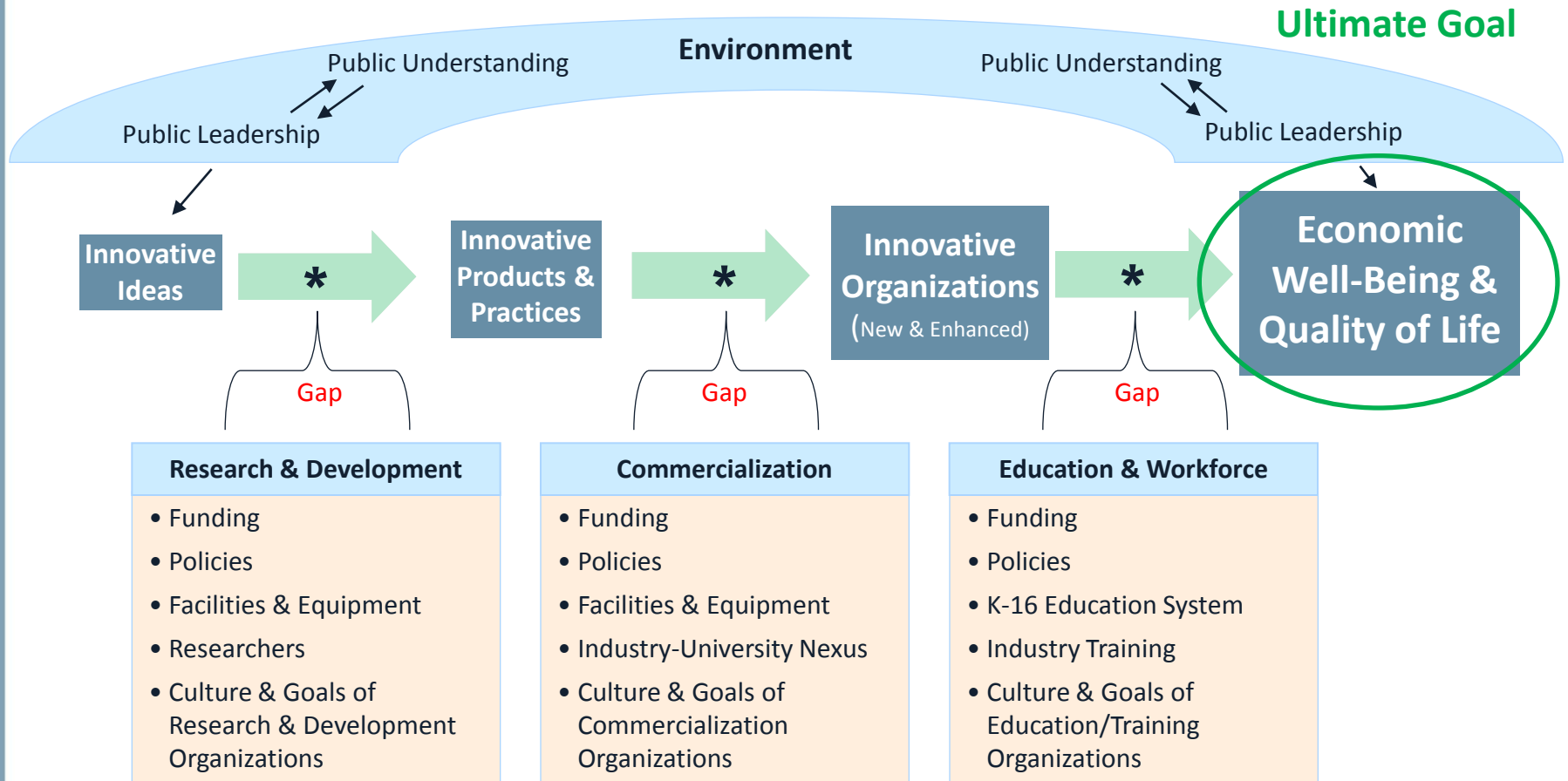
“There is no such thing as a low-tech industry. There are only low-tech companies—that is, companies that fail to use world-class technology and practices to enhance productivity”

~Michael Porter, Economist

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Innovation Ecosystem



OST Roles

ROLE	EXAMPLE
STRATEGIC	
• Evaluator & Advisor	Creating innovation indexes to evaluate and inform NC policy & programs
• Champion & Communicator	Creating technology roadmaps to chart course for NC's economic future
TACTICAL	
• Convener & Facilitator	Organizing technology conferences & workshops to catalyze NC businesses
• Funder & Implementer	Developing & administering NC technology commercialization grant programs
• Recruiter & Retainer	Attracting/keeping high-tech, high-growth businesses to/in NC

Technology Commercialization

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs:

- Highly *competitive* federal grants since early 1980s
- Single largest source of *early-stage commercialization* funding for small businesses
- More than *\$2 billion annually* – larger than all private sources combined

NC SBIR/STTR Matching Program:

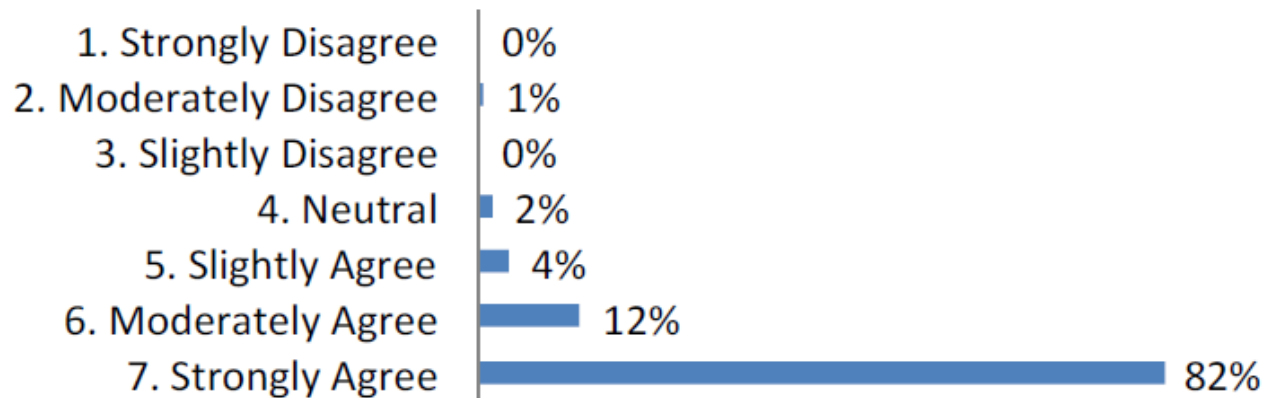
- NC among handful of *forward-thinking states* with matching program
- *Leverages* federal resources & helps homegrown businesses commercialize innovative technologies & create jobs
- SC, KY, & VA *copied* NC's program

NC SBIR/STTR Matching Program

Factor	Amount/Impact
INPUT	
• Appropriations	\$16.3 million during FYs 2006-2011
• Grants awarded	245 to small businesses throughout NC
OUTPUT	
• Jobs Created & Retained	>500 – more to come as businesses grow
• Follow-On Funding	\$158 million (9-to-1 return on State \$)
• Intellectual Property	7 copyrights & 31 patents (<i>estimated lifetime value -- >\$394 million</i>)
• New Sales	>\$60 million in 2012

NC SBIR/STTR Matching Program

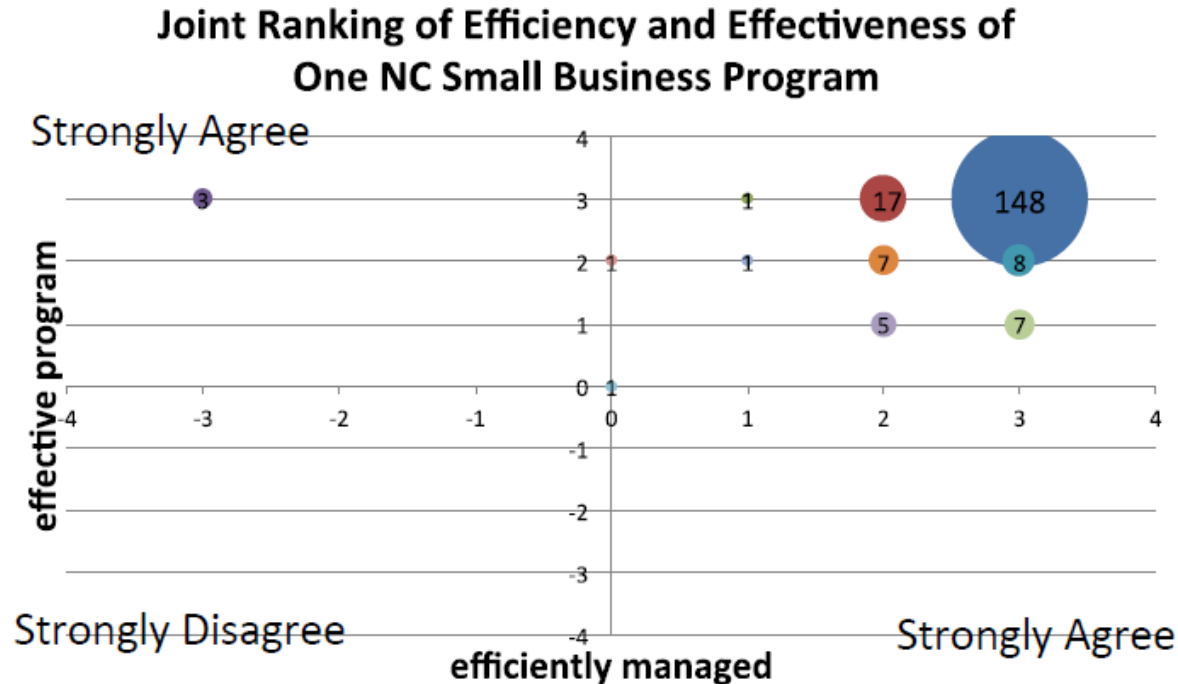
**Encourages establishment and growth of
advanced technology firms**



“The matching grant, awarded in the first years of our company, helped us pay personnel, establish business infrastructure, and generate preliminary data that helped us obtain the larger Phase II grant. Our company couldn’t have proceeded without the matching funds.”

~Kenneth Pillar, President, SoyMeds, Davidson

NC SBIR/STTR Matching Program



“We are very grateful for the matching funds, which were integral in the startup phase of our company and helping the company in the time between the federal Phase I and II grants. It also made our company look good to private investors when they saw federal funding along with state funding.”

~Robert Anderson, President & CEO, GreatWall Systems, Winston-Salem