

Local firms get help with federal grants

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Getting a meaty grant through the federal government's Small Business Innovation Research and Small Business Technology Transfer programs is the stuff of which many a startup company's dreams are made of.

Although Arizona is known for its fertile entrepreneurial environment, firms in the state have had limited success in this arena to date. While there were 225 total grants awarded to Arizona companies between 1995 and 1998, half of the funds went to a pair of companies in Tucson.

But that could change as the state revs up its efforts to help local high-technology companies secure these grants.

Last week 27 companies, from Maricopa County, Lake Havasu, Flagstaff and Tucson, convened to celebrate the awarding of a total of \$134,000 to hire experts to provide training, mentoring, business advisory services and proposal assistance to increase their chances of these grants. The grants range from \$4,000 to \$5,000 per company.

The funding comes from the U.S. Small Business Administration's Federal and State Technology (FAST) Partnership Program, with matching funds from the Arizona Department of Commerce's Commerce and Economic Development Commission.

There were almost 300 applications sent out, according to Marsha Kolich, business development manager in the ADOC's Office of Innovation and Technology. The Governor's Council on Innovation and Technology, along with the ADOC and the Arizona Technology Council and Southern Arizona Technology Council, held workshops throughout the state to generate interest for AZ FAST grants.

"We have been behind the curve and have not had the educational initiatives to inform technology entrepreneurs about opportunities in federal funding up until this year," Kolich said.

Matthew Savoca, president of Kutta Consulting in Phoenix, said the grant will go a long way toward helping them hire needed expertise. The 2-year-old software consulting company, which specializes in avionics communications, is working with Boeing Co. on two major projects that have Phase 1 SBIR/STTR potential: a PDA-type device that helps steer unmanned aerial vehicles that can be used in future combat systems and an air traffic management system for the UAVs.

"This is a great incentive to write more grants," Savoca said.

Other companies that have received grant money are working on projects that include a new radiation treatment for cancer, a blood test to diagnose Alzheimer's disease before symptoms appear and a portable bio-hazard detection machine.

Three Rivers Holdings LLC, a Mesa firm that does research, development and commercializing of medical rehabilitation technology, is an unusual company among those chosen since it is about to get its eighth federal grant since its 1999 founding. It has received \$1.8 million to date for products that include an upper extremity prosthesis, which it worked on with Arizona State Uni-



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David Boninger is hoping Three Rivers' AZ FAST grant will help them further the commercialization of SmartWheel, a high-tech product that matches wheelchairs and users for proper selection and fit.

versity professor Gary Yamaguchi. The product could have Third World applications because of its low cost and its ability to be fitted in the field without expert medical attention.

The AZ FAST grant will help the company with its "SmartWheel," a technology that helps match wheelchairs with their users to ensure the proper selection and fit. The National Institutes of Health is soliciting companies, such as Three Rivers, looking for Phase 2 extensions that will help fund clinical studies to get Food & Drug Administration approval, according to David Boninger, vice president of research and development.

"Down the road, the very same companies that are now talking about how to apply for these grants will be the ones hiring workers

and becoming part of the supply chain of a very dynamic Arizona economy," Kolich said.

"When the Governor ran for office, she said one of her top priorities in terms of economic development was growing the technology companies in Arizona," said Noah Kroloff, chief assistant for policy, at the meeting. "These grants help leverage technology funding in a way we would not have otherwise been able to do."

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