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### **21st Century Fund matches more than \$1 million for Purdue Research Park companies**

WEST LAFAYETTE, Ind. - Seven [Purdue Research Park](#) companies will share more than \$1 million in [Indiana 21st Century Research and Technology Fund](#) matching dollars allocated to the winners of federal small business research grants.

For the first time since its inception five years ago, the 21st Century Fund will match state funds to federal grants awarded to Indiana technology companies. Beginning in 2003, the 21st Century Fund has committed an initial \$3 million toward this initiative.

Small, high-tech companies are awarded federal funds for early-stage research and development through the Small Business Innovation Research (SBIR) program, administered by the U.S. Small Business Administration. For example, the U.S. Department of Defense - one of 11 federal agencies participating in the program - provides a maximum of \$850,000 directly to each company, allowing the firms to develop technologies for government use while retaining the company's intellectual property rights to those technologies.

In fiscal year 2002, Indiana ranked 26th among states receiving SBIR grants, with a total of approximately \$8.5 million awarded to Hoosier technology companies. Indiana's total falls far below first-ranked California, which brought in \$300 million in SBIR funds in 2002.

"With the rising number of startups commercializing technologies built on Purdue's research strengths in homeland security, information technology and

advanced manufacturing, we believe the amount of SBIR funding to Indiana companies can and should increase significantly," said Tony Armstrong, the fund's director. "By providing these matching grant dollars, the fund's board of directors intends to both increase the numbers and competitiveness of Indiana SBIR proposals."

For fiscal year 2003, the Indiana 21st Century Fund provided matching funds up to a maximum of \$100,000 per award, with 75 percent of the funds dispersed upon completion of a successful phase I SBIR application and the remainder dispersed upon submission of a phase II SBIR proposal.

The fund will disperse more than \$1 million in matching SBIR award money to the following Purdue Research Park incubator companies: [Arxan Technologies Inc.](#) (\$99,891); Endocyte Inc. (\$100,000); En'Urga Inc. (three proposals totaling \$269,986); Griffin Analytical Technologies Inc. (three proposals totaling \$297,645); Imaginestics Inc. (\$100,000); Mudawar Thermal Systems Inc. (\$98,419); and Optical Therapeutic Technologies (\$97,810).

"This additional state support may encourage more research park entrepreneurs to apply for future SBIR funding as well as move them beyond the research phase and closer to commercializing their technologies," said Joseph Hornett, senior vice president and treasurer of the Purdue Research Foundation, the entity that administers the Purdue Research Park.

One of the research park companies that will receive matching grant money from the 21st Century Fund for its SBIR awards in 2003 is Arxan Technologies Inc., a venture developing anti-tamper solutions for commercial software vendors and content owners.

"SBIR funds are grant dollars that do not consume company equity or future earnings, making these funds particularly valuable for early-stage technology companies like Arxan," said Eric Davis, Arxan's vice president.

"Testing the scientific, technical and commercial merits and feasibility of your concept (phase I) is supposed to lead to the development of your concept, otherwise known as the 'prototype' stage (phase II).

But getting from phase I to phase II can be difficult, especially if money is tight."

Three other West Lafayette-based companies - BioVitesse Inc., HemoCleanse Inc. and IN Space LLC - that are developing technologies in conjunction with Purdue University researchers will receive a total of \$269,896 in Indiana 21st Century Fund matches for SBIR awards. In addition, technology companies in the Indiana cities of Anderson, Bloomington, Greenville, and Mishawaka also received similar funding.

The Indiana 21st Century Research and Technology Fund was created in 1999 by the General Assembly to stimulate the process of diversifying the state's economy by developing and commercializing advanced technologies in Indiana. The fund makes awards in two broad categories: Science and Technology Commercialization and Centers of Excellence. In addition, the fund provides cost-share on behalf of federal proposals submitted by Indiana-based entities.

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**Related Web sites:**

[Purdue University](#)

[U.S. Small Business Administration SBIR/STTR programs](#)

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