Why Do Companies Apply for ATP Funding?

The Advanced Technology Program (ATP) fosters innovation in the United States by partnering with industry to support high-risk Research and Development (R&D) with great potential for broad-based economic benefit. ATP also encourages R&D collaboration between companies and other organizations. The Survey of ATP Applicants 2002 collected information on factors that are important to companies in their decision to apply to ATP.

Single Company applicants are more likely to emphasize the need for funding as the factor for applying to ATP, while Joint Venture applicants are more likely to emphasize the need to facilitate collaboration among organizations:

- About three out of five Single Company applicants indicate that unavailability of internal company funding was “extremely important” in their decision to apply to ATP, compared to less than half of Joint Venture applicants. (See Figure 4.)
- Almost half of Joint Venture applicants indicate that facilitating collaboration among different organizations was “extremely important” in their decision to apply, compared to 13% of Single Company applicants.

Companies seeking to partner with the Advanced Technology Program (ATP) submit proposals to the ATP. Proposals must be for the development of innovative technologies that could not obtain private funding due to the high technical risk and that have the potential to produce widespread benefits to the economy and society. Proposals are evaluated for technical and economic merit in a rigorous competitive review process.
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Respondents were asked to indicate the importance of a number of factors in reaching their decision to apply for ATP funding. The factors can be grouped as follows:

a) ATP helps overcome unavailability or instability of internal company funding, or dependence of internal funding on external funding support.

b) ATP funding provides external validation for the technological or commercial potential of the R&D project.

c) ATP funding facilitates R&D collaboration among different organizations.

Most ATP applicants indicate that unavailability or instability of internal company funding, or dependence of internal funding on receiving external support, are important factors in their decision to apply to ATP.

- Internal company funding is not available. Almost 9 out of 10 applicants indicate that this was important in their decision to apply to ATP. (See Figure 1.) This is the same as was found for the year 2000 applicants.

- ATP provides stability of funding for the project over time. 82% of applicants indicate this was important in their decision. This percentage is higher than that found for the year 2000 competition, in which 75% of applicants stated this to be an important factor in the decision to apply to ATP.

- Internal company funding and commitment to the project depend on receiving external funding. 72% of applicants indicate this was important in their decision to apply, very similar to what was found for the year 2000 applicants.

Awardees are more likely than Nonawardees to be seeking validation of the R&D project’s potential when applying to ATP.

- Four out of five Awardees indicate that external validation of the technological potential of the project was important in their decision to apply to ATP. This compares to about 3 out of 5 Nonawardees. (See Figure 2.)

- Almost two-thirds of Awardees indicate that external validation of the commercial potential of the project was important in their decision, versus almost half of Nonawardees.

Small companies, relative to larger companies, are more likely to view the need for external R&D funding as a critical factor in their decision to apply to ATP.

- Small companies view a lack of available internal funding as an important reason for applying to ATP to a greater extent than do large/medium companies (89% vs. 71%, respectively). Moreover, small companies are twice as likely as larger companies to point to the lack of available internal funding as being “extremely important” in their decision to apply to ATP. (See Figure 3.)

- Small companies are also much more likely than larger companies to indicate that an “extremely important” factor in their decision was that external funding was needed in order to obtain internal company funding and commitment to the project.

FIGURE 1.
Importance of Factors for Why Companies Apply to ATP

![Importance of Factors for Why Companies Apply to ATP](chart)

ATP applicants generally indicate that external validation of the technological or commercial potential of the R&D project was an important factor in their decision to apply to ATP.

- ATP funding provides external validation of the commercial potential of the project. 50% of applicants indicate this was important in their decision. This is also higher than that found for the year 2000 applicants (43%).

Just under half of ATP applicants indicate fostering R&D collaboration among different organizations was an important factor in their decision to apply to ATP.

- ATP funding facilitates collaborations among different organizations. Just under half of all applicants indicate this was important in their decision to apply to ATP, approximately the same as was found for the year 2000 applicants.

FIGURE 2.
Importance of Factors for Why Companies Apply to ATP: Awardees versus Nonawardees

![Importance of Factors for Why Companies Apply to ATP: Awardees versus Nonawardees](chart)

1 We have combined the response categories “extremely important” and “very important” for ease of reporting.
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FIGURE 3.
Importance of Factors for Why Companies Apply to ATP: Small versus Larger Companies

![Chart showing importance of factors for why companies apply to ATP: Lack of internal funding and dependence on external funding.]

Note: Data shown represent percentages of groups reporting each factor as being “extremely important” in their decision to apply for ATP funding.

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FIGURE 4.
Importance of Factors for Why Companies Apply to ATP: Single Company versus Joint Venture Applicants

![Chart showing importance of factors for why companies apply to ATP: Lack of internal funding and ability to facilitate collaboration.]

Note: Data shown represent percentages of groups reporting each factor as being “extremely important” in their decision to apply for ATP funding.