

## Department of the Navy SBIR/STTR Programs



Image courtesy of Easy-Peasy.AI

<https://easy-peasy.ai/ai-image-generator/images/cybernetic-warrior-sci-fi-soldier>

## Delivering Innovation to the Warfighter

### Fiscal Year 2024 Year in Review

Department of the Navy  
Small Business Innovation Research/Small Business Technology Transfer  
Office of Naval Research  
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Arlington, Virginia 22203-1995

## List of Abbreviations & Acronyms Used in the Report

Abbreviation	Definition
<b>BAA</b>	Broad Agency Announcement
<b>DoW</b>	War Department/Department of War
<b>DON</b>	Department of the Navy
<b>DP2</b>	Direct to Phase II
<b>FPDS-NG</b>	Federal Procurement Data System – Next Generation
<b>MCSC</b>	Marine Corps Systems Command
<b>NAVAIR</b>	Naval Air Systems Command
<b>NAVCENT</b>	United States Naval Forces Central Command
<b>NAVFAC</b>	Naval Facilities Engineering Systems Command
<b>NAVSEA</b>	Naval Sea Systems Command
<b>NAVSUP</b>	Naval Supply Systems Command
<b>NAVWAR</b>	Naval Information Warfare Systems Command
<b>NECC</b>	Navy Expeditionary Combat Command
<b>NRL</b>	United States Naval Research Laboratory
<b>ONR</b>	Office of Naval Research
<b>PEO</b>	Program Executive Office
<b>SBA</b>	Small Business Administration
<b>SBIR</b>	Small Business Innovation Research
<b>SSP</b>	Strategic Systems Program
<b>STTR</b>	Small Business Technology Transfer
<b>SYSCOM</b>	Systems Command
<b>TIE</b>	Technical Information Exchange
<b>USMC</b>	United States Marine Corps

## Executive Summary

This report is a comprehensive one-year look at the DON SBIR/STTR programs for Fiscal Year 2024 (FY24) that examines the programs' approach, portfolio, and impact during the fiscal year. By making this analysis publicly available, DON SBIR/STTR provides transparency to its key stakeholders: small businesses, Navy and Marine Corps warfighters, and the defense industrial base. Through sound topic development backed by multi-year fiscal planning and programming, Navy and Marine Corps Systems Commands select and fund innovative solutions to meet the needs of the acquisition, sustainment, and operations communities that drive the DON SBIR/STTR programs. The result – over time – is a significant return on investment, proven by the increasing Phase III commercialization generated by DON SBIR/STTR programs.

## Making the Small Business Experience Our Priority

### Message from Leadership

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#### Mr. Shipley | Director, DON SBIR/STTR Programs

I am extremely proud of the entire DON SBIR/STTR team for another successful year despite the fiscal challenges resulting from an extended Continuing Resolution. Our SYSCOMs invested in the development and testing of more prototypes, utilizing multiple authorities, to deliver more innovative solutions than in prior fiscal years to address specific Navy and Marine Corps needs. Our Open Topic BAA, which generated the largest volume of proposals per topic to date, sought innovative robotic automation solutions to our Fleet Readiness Center industrial processes, managing sustainment and obsolescence at our shipyards, and advancing data integrity and control.

We also grew and expanded transition program opportunities for our participating small businesses. Our 25-year-strong Navy SBIR Transition Program (STP) program hosted a highly successful “Technical Information Exchange” event connecting 54 Navy STP Phase II projects with DON program offices, technology managers, and prime contractor SBIR leads – a growth in participation that exceeds prior years – while another 50 STP projects were showcased at Sea-Air-Space 2024. I am especially pleased that we expanded our Private Capital training forums, as part of the NAVY Launch Program, to Phase I awardees and hosted them at sites across the country. As a result, the forums increased in popularity, providing critical knowledge on commercialization, valuation, and funding strategies to over 150 small businesses.

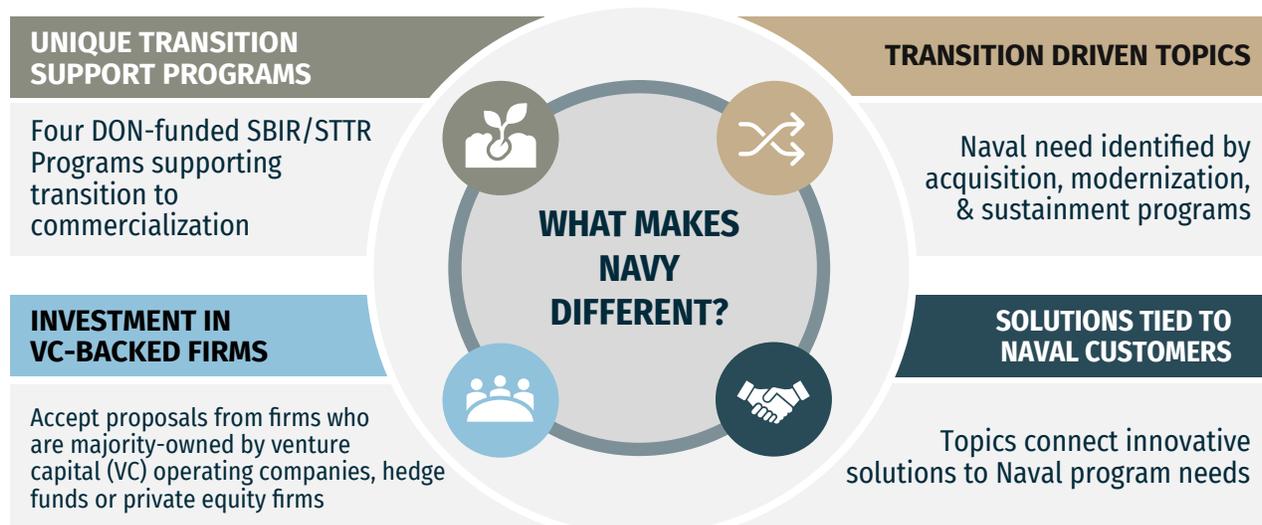
Decentralized execution of SBIR/STTR programs continues to enable our PEOs and SYSCOMs to meet DON innovation needs. Our acquisition pull philosophy drives topics backed by fiscal and programmatic sponsorship that small businesses need to transition their technologies. We encourage you to read on and learn how DON SBIR/STTR supports small businesses to deliver cutting-edge technology to warfighters at the speed of relevance.

#### Key FY24 Success Metrics

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- Invested in 150 warfighting priorities (topics) aligned to 14 War Department (DoW) Critical Technology Areas and a DON-specific focus on sustainment
- Engaged 1,471 small businesses from 45 states and the District of Columbia – 39% of proposers submitted their first DON SBIR/STTR proposals and were “New-to-Navy!”
- Expanded DON-unique transition support opportunities – record participation in technology exchanges, experimentation events, and educational forums
- Capitalized on the Sea-Air-Space 2024 Small Business Showcase, awarding three DP2 awards valued at \$6 million – two small businesses received their first DON SBIR/STTR awards
- Delivered a vast array of solutions to warfighters, eclipsing the \$1.5 billion mark in Phase III obligations to over 150 programs and PEOs.

## Delivering Innovation to the Warfighter



*See How We Deliver Solutions*

**DON SBIR/STTR Success Stories**  
<https://navysbir.com/success>

### Sources and Data Management

DON SBIR/STTR topic solicitations are officially released via the DoW SBIR/STTR Innovation Portal (DSIP) through several BAAs during the fiscal year. Eligible small businesses are required to submit Phase I and II proposals for BAA topics through DSIP for consideration. The DON SBIR/STTR program management office uses proposal metadata, original contract documents, and federal databases to track small business information, Period of Performance, types and sources of funding, and obligation transactions for Phase I and II data from proposal submission to contract close-out. Validated Phase I and II data are reported via DSIP on a quarterly basis and subsequently uploaded to the SBA’s database at [www.sbir.gov](http://www.sbir.gov). Phase III data is reconciled using a combination of FPDS-NG and DON SYSCOM commercialization data. FPDS-NG data reflects federally funded and contracted actions only; SYSCOM Program Managers may receive additional information from firms on commercialization not recorded in FPDS-NG such as sub-contracts, third party and commercial sales, and Other Transaction Authority purchase orders.

Making the Small Business Experience Our Priority

# TRANSITION DRIVEN TOPICS

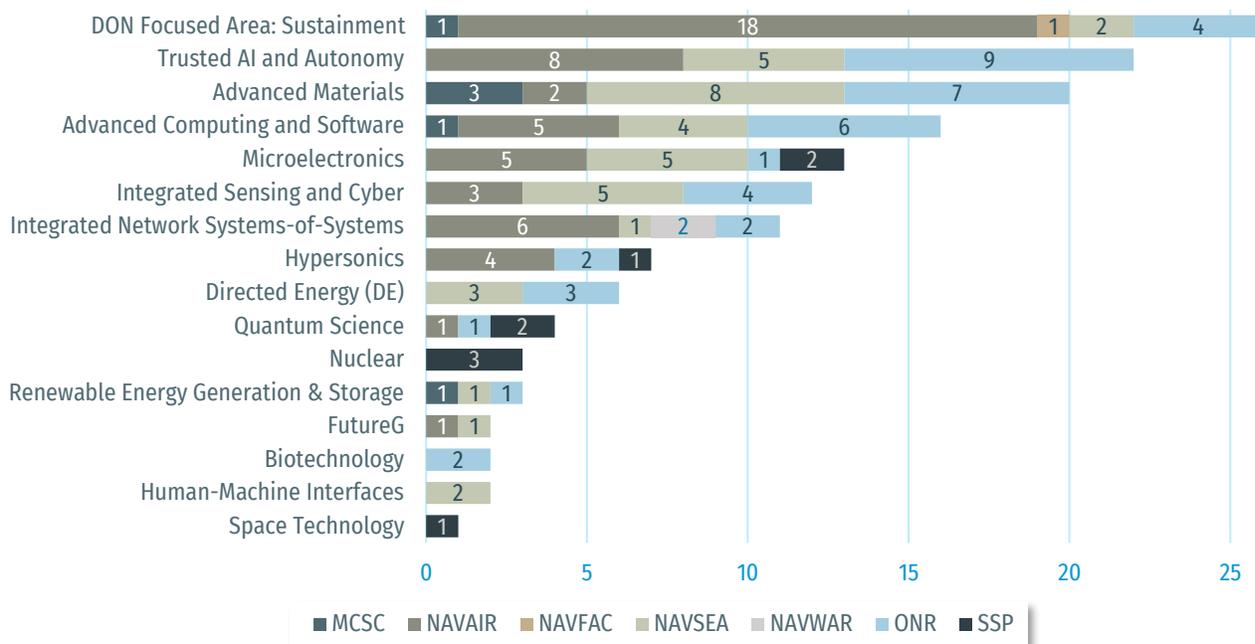
## Topics and Solicitations

DON SBIR/STTR programs are unique due to their alignment to warfighting needs through transition-driven topics. Because of this alignment, DON SBIR/STTR has a consistent record of delivering the highest return on investment in DoW. Each topic begins with a validated DON requirement, aligned to DON acquisition and Program of Record priorities, ensuring that small business innovation closes real performance gaps across maritime, expeditionary, and information warfare domains. This transition-focused approach is what attracts small businesses to work with DON SBIR/STTR; even with a 13% decrease in the number of topics between FY23 and FY24, DON SBIR/STTR programs received 6% more proposals from 8% more firms. Data in the accompanying tables highlights the scope of DON SBIR/STTR topics and proposals in FY24. Significant points include:

- 1,471 small businesses submitted 3,123 proposals across all FY24 BAAs
- 29 proposals for ONR DP2 Next-Gen Unmanned Maritime Vehicle Autonomy topic
- 196 proposals for NAVSEA Open topic seeking innovative sustainment initiatives

For all BAA details, visit: <https://navysbir.com/previous.htm>.

### SYSCOM Topics Aligned to Critical Technology Areas



BAA	Topic Type	Topics	Proposals	Avg. Proposals per Topic
BAA 24.1 / 24.A	SBIR	68	1,528	22
	DP2 (SBIR)	3	22	7
	STTR	24	274	11
BAA 24.4, R1	DP2	1	29	29
BAA 24.2 / 24.B	SBIR	35	721	21
	DP2 (SBIR)	8	35	4
	STTR	6	83	14
BAA 24.4, R2	Open (SBIR)	3	391	130
BAA 24.3	SBIR	2	40	20
<b>FY24 SUMMARY</b>		<b>150</b>	<b>3,123</b>	<b>21</b>

## BROAD SPECTRUM OF FIRMS

Building on prior years' success, industry engagement brought a broad spectrum of new firms and their technologies into the defense industrial base – especially to meet Naval priorities. Within the 1,471 firms submitting proposals in FY24 were 576 (39%) that submitted to DON SBIR/STTR for the first time – collectively referred to as “New-to-Navy” (N2N) – submitting 719 of the 3,123 proposals. These N2N firms hailed from 45 states, the District of Columbia, and the Commonwealth of Puerto Rico. Distribution of N2N firms is found in the Appendix , Figure 1.

Firms submitting proposals in FY24 had an overall average of 60 employees, with N2N firms having an average of 15 employees and 87% having fewer than 25 employees. The remaining firms, not classified as N2N, had an average size of 73 employees with 89% having fewer than 100 employees. The 783 firms with active Phase I or Phase II contracts in FY24 averaged 89 employees, over 61% of them had fewer than 25 employees; only 1.5% had 400 or more. Active firms represented 47 states and the District of Columbia as displayed by Figure 2 in the Appendix.

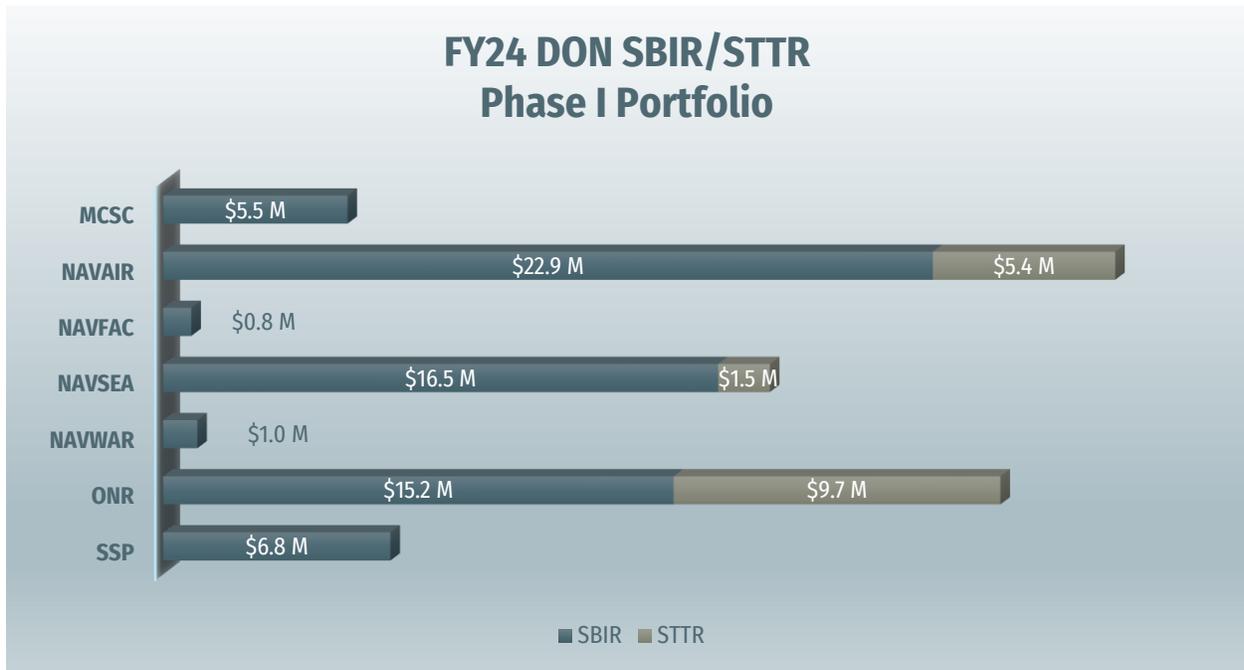
## SOLUTIONS TIED TO NAVAL CUSTOMERS

The FY24 DON SBIR/STTR portfolio included 2,033 active Phase I and II contracts, reflecting a \$1.6 billion investment in 784 emerging technology firms to meet Navy, Marine Corps, and Joint Force needs.

- DON SBIR/STTR funded 1,304 SBIR/STTR contracts in FY24, obligating \$570,279,518
  - 620 were Phase I (48%), \$85,422,031 in SBIR/STTR funding
  - 684 were Phase II (52%), \$484,857,487 in SBIR/STTR and program funding
- 754 new contracts awarded in FY24: 472 Phase I, 282 Phase II
- 603 firms were funded in FY24 – 60 received their first DON SBIR/STTR awards

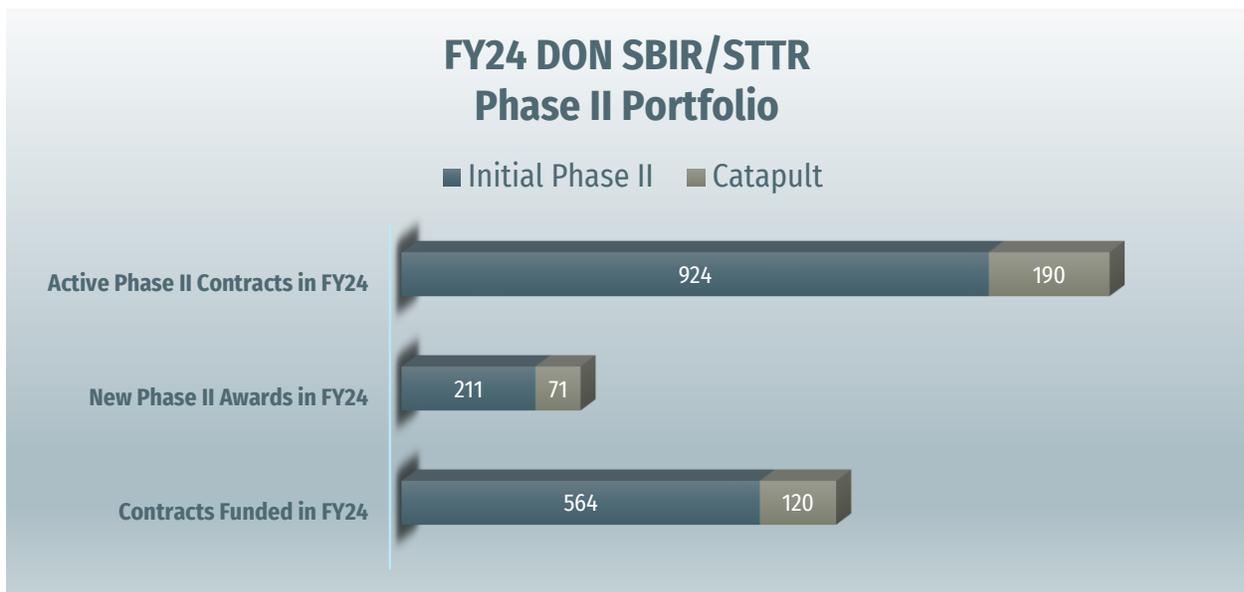
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Phase I and Phase II Portfolios



***SBIR Expo Generates Prototype Interest:***

The U.S. Marine Corps SBIR/STTR Program Office at Marine Corps Systems Command conducted its SBIR Expo 24-25 in October 2023 at Marine Corps Base Quantico. The event allowed awardees to showcase 22 prototypes from recent MCSC SBIR Phase I awards, enabling Program Offices and Marines from operational units to examine the prototypes and interact with participating small businesses. Multiple Phase II awards resulted from the showcase, continuing development of selected technologies to meet specific Marine Corps needs.



### Small Business Showcase Paves the Way for Pitch Event & \$6 Million in Awards

ONR SBIR launched an inaugural DP2 BAA for Next-Generation Autonomy for Unmanned Maritime Vehicles in February 2024. The single DP2 topic garnered the most proposal submissions of any prior DP2 topic. Small businesses selected to submit a full DP2 proposal were invited to present their capabilities at the Small Business Showcase during the 2024 Navy League Sea-Air-Space Exposition. The Showcase was designed to highlight innovative solutions from small businesses addressing current challenges within DON, foster collaboration, and create pathways for them to contribute to the Navy's mission. ONR awarded a total of \$6 million to three firms: two received their first DON SBIR awards and one of the two received its award based on its first DON SBIR proposal submission. The FY24 ONR DP2 BAA was so successful that ONR initiated another ONR-funded DP2 topic in the 25.1 BAA cycle.

### FY24 Phase II Investments



### FY24 Phase II Investments

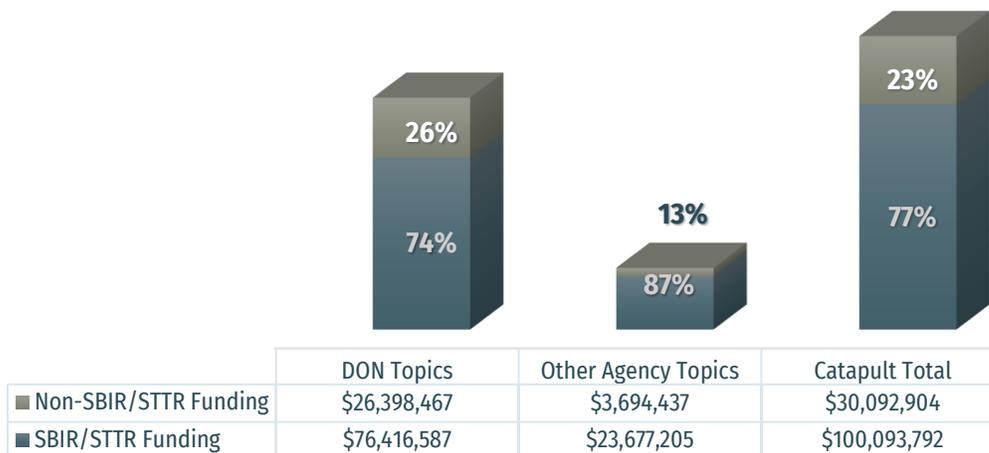


## Making the Small Business Experience Our Priority

### Catapult Phase II Portfolio

Navy Catapult combines multiple SBIR/STTR authorities under a single heading: Second (Sequential) Phase II awards; limited, high-value awards that exceed standard limits; and the authority to issue DON Phase II awards derived from work initiated under another agency’s SBIR or STTR topic (Subsequent). Catapult Phase II contracts accounted for 17% of the active Phase II contracts – 21% of the total Phase II portfolio value – with over \$305 million funded to date, \$130 million of that in FY24. Subsequent awards accounted for 22% of the active Catapult portfolio in FY24. In all cases, Catapult contracts are awarded to meet high-priority Navy, Marine Corps, and Joint Force needs.

### FY24 Catapult Funding



### *A \$25M Investment in Sustainment-related Projects*

*During FY24, the NAVSEA SBIR/STTR team identified performers across varying DoW agencies with prior SBIR/STTR projects that could be utilized to meet NAVSEA needs. Cross agency waivers to allow Subsequent Phase II awards were sought from Air Force, Defense Logistics Agency, Army, and other SBIR/STTR program offices. Topics included additive manufacturing, fuel tank and ship component inspection, ship repair, and shipyard communication and monitoring. Additional funds were used to support and expedite existing NAVSEA projects that focused on sustainment.*

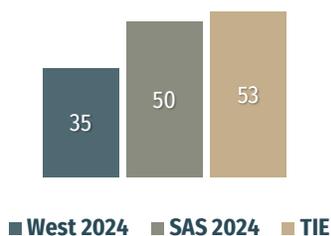
## UNIQUE TRANSITION PROGRAMS

The DON SBIR/STTR programs’ focus is straightforward: accelerate the discovery, development, and deployment of technologies that deliver maritime dominance. To ensure we consistently convert innovation into capability, our Phase II awardees are supported by a network of robust transition support programs, unique to DON SBIR/STTR.

Delivering Innovation to the Warfighter

<b>Navy STP</b>	An annual 11-month Navy-funded program for Phase II awardees
<a href="http://www.navystp.com">www.navystp.com</a>	Provides services to assist with transition of technologies through business mentoring, education, and networking

The DON SBIR/STTR Transition Program (Navy STP) is a 25-year-strong program available to Phase II awardees to assist with connecting SBIR/STTR-funded technologies to warfighters, government acquisition and technical personnel, prime contractors, systems integrators, and other potential partners and collaborators. During FY24, 186 firms participated in Navy STP: 131 projects in the 2023-2024 cohort and 128 projects in the 2024-2025 cohort; 43 of these projects were Catapult Phase IIs.



Navy STP enabled participants to market 138 Phase II project capabilities at one of three showcase events: West 2024 (San Diego, California); Sea-Air-Space 2024 (National Harbor, Maryland); and a SYSCOM Technical Information Exchange (TIE) (Arlington, Virginia) that allowed NAVAIR, NAVSEA, and ONR personnel to meet one-on-one with the participants without traveling out of their locales, promoting better networking opportunities for all.

<b>DON-SEC</b>	A program for connecting SBIR innovators with the DON and Joint Force experimentation community to test innovative solutions
<a href="http://www.navysbir.com/sec">www.navysbir.com/sec</a>	Provides full spectrum of end-to-end facilitation, mentoring, and training support in all aspects of test and experimentation events

The Navy SBIR Experimentation Cell (DON-SEC) significantly increased its support and impact in FY24, engaging 191 SBIR/STTR awardees to help them understand experimentation and highlight opportunities for participation. Another 107 awardees were supported with event selection, mentorship through engineering and operations processes, and connection to other opportunities. Forty projects were guided through event applications, 35 of which were accepted into events and initiated the required planning and preparations leading toward event execution. The DON-SEC team supported SBIR/STTR projects during six named events, including staff augmentation to the 2024 Commander Fourth Fleet Hybrid Fleet Campaign.

## Making the Small Business Experience Our Priority

### **Demonstration & Experimentation – Lessons Learned and Increased Transition**

Naval Air Systems Command participated in the 2024 Commander Fourth Fleet Hybrid Fleet Campaign with four of its 15 participating SBIR projects. The campaign was conceived to further DoW's and DON's operational objective to evaluate attributable unmanned kill chains, assured command and control, and nontraditional small business innovations. Lessons learned from the Interim Flight Clearance process experience promoted internal collaboration and subsequent solutions, improving future process navigation and reducing risk-to-execution for SBIR participants.

In addition, thirteen NAVAIR SBIR awardees participated in six FY24 experimentation events supporting ten DoW Critical Technology Areas including Sensors, Electronic Warfare, C4I, Sustainment, and Air/Ground/Sea Platforms. Participation furthered the NAVAIR mission by increasing SBIR involvement in relevant events, leading to increased transition to Phase III and delivering advanced pertinent technologies to the warfighter.

<b>NAVY Launch</b>	<b>Private Capital Education</b>
<p>A 10-month program to educate, accelerate, and scale beyond traditional defense markets</p> <p>Prioritize markets, explore private funding, conduct customer discovery, and engage for new growth</p>	<p>A three-part bootcamp series delivered in a hybrid format plus virtual office hours</p> <p>Provides a deeper understanding of private capital and the strategies and knowledge needed to effectively leverage private funding</p>
<p><a href="http://www.navysbir.com/programs/navylaunch.htm">www.navysbir.com/programs/navylaunch.htm</a></p>	

NAVY Launch is an intensely focused program for Phase II awardees to explore, define (or redefine), and implement a commercialization strategy. The program provides a structured path of discovery from commercial value proposition and competitive assessments to go-to-market plans. It also includes business strategies for funding options, including private capital, to strengthen firms and support growth in commercial markets beyond traditional defense ones.

The NAVY Launch program operates in two stages:

Stage 1 – Training and Exposure via Commercialization Workshops and Networking Events Open to all Current Phase II Awardees. Workshops focus on developing skills in customer discovery, product-market fit, intellectual property, and fundraising. Networking events, which are associated with the workshops, allow attendees to connect with peers, investors, advisors, and DON stakeholders. Four workshops with an average attendance of 40 were held in FY24: *Embracing a Commercial Mindset, Vision & Value Proposition, Commercial Market Entry Strategies, and Commercialization Funding Strategies.*

## Delivering Innovation to the Warfighter

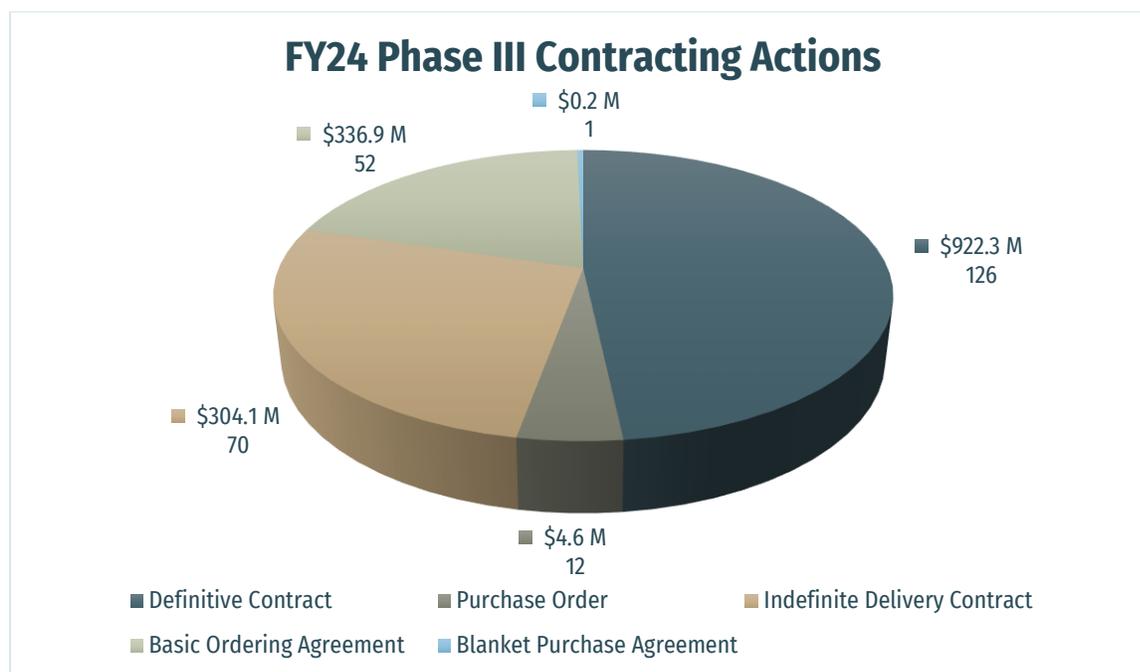
Stage 2 – Acceleration Track. An application-only advisor-led program for 20 awardees. Participants meet bi-weekly to define (or refine) their commercialization strategies; test value propositions through customer discovery; build go-to-market and funding plans; and refine investor and sales materials.

The Private Capital Education forum series assists DON SBIR/STTR awardees – during any Phase – to access and engage with private capital, including equity, debt, and non-dilutive options. The series is built to deliver meaningful content and high-impact connections so participants can walk away with actionable insights and relationships that support their paths to funding. Events are hybrid for accessibility and hosted in different regions of the U.S. to encourage in-person participation. In 2024, Private Capital Bootcamp forums occurred in the following locations.

Event Space	Location	In-person	Virtual
<b>BMNT Office</b>	Washington, D.C.	28	45
<b>Capital Factory</b>	Austin, TX	23	151
<b>Playground Global VC</b>	Palo Alto, CA	99	156

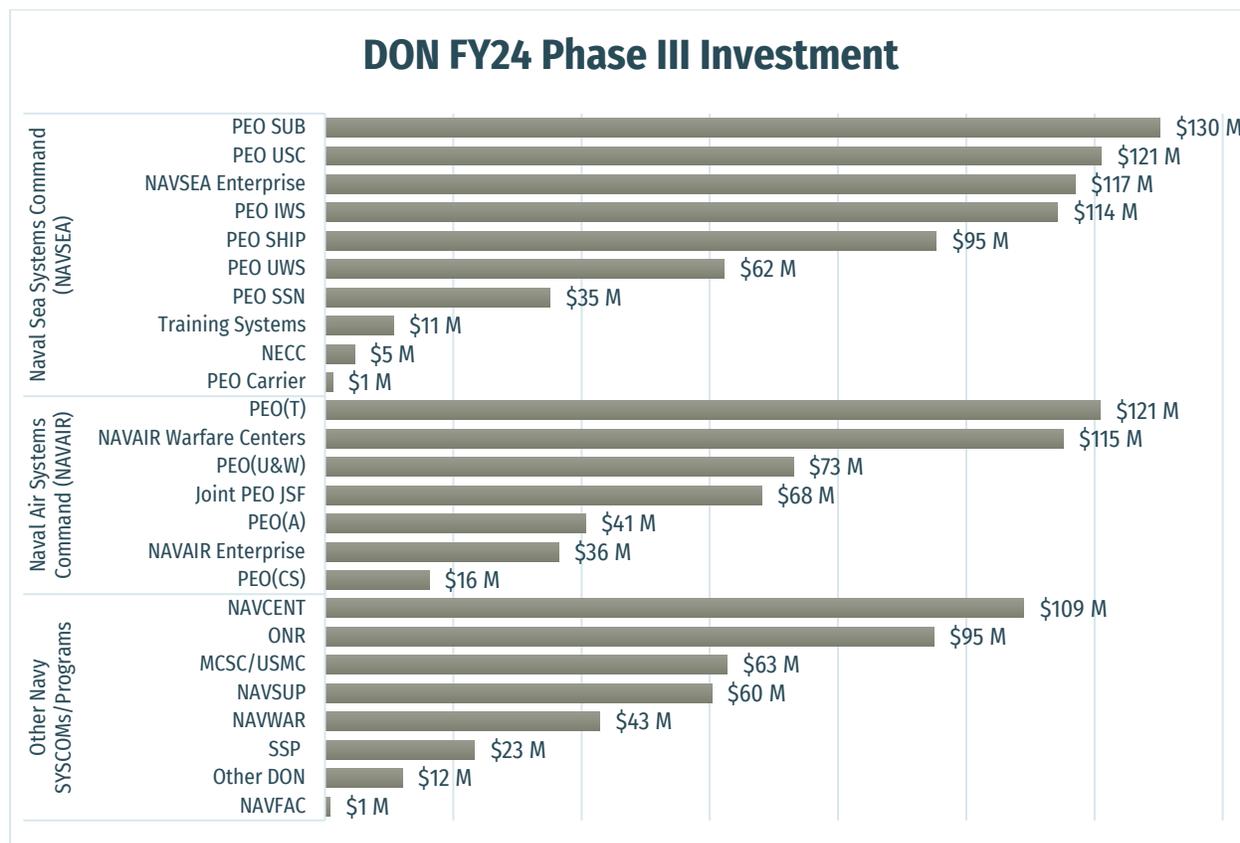
## Delivering Innovation to the Warfighter

DON SBIR/STTR does more than drive innovation – it fields Naval capabilities. Our focus on transition-driven topics, combined with unique transition support programs, enabled a fourth straight fiscal year increase in Phase III funding. FY24 investments (obligations) amounted to \$1,568,082,561 in non-SBIR/STTR government funding, which impacted every DON SYSCOM, multiple operational commands, and several joint projects with other services.



## Making the Small Business Experience Our Priority

Phase III efforts benefited over 150 different PEOs and programs; 43% belonged to NAVSEA, 26% were within NAVAIR, and 31% were spread across other DON organizations.



FY24 Phase III contracts derived from or continued the efforts of prior SBIR/STTR work:

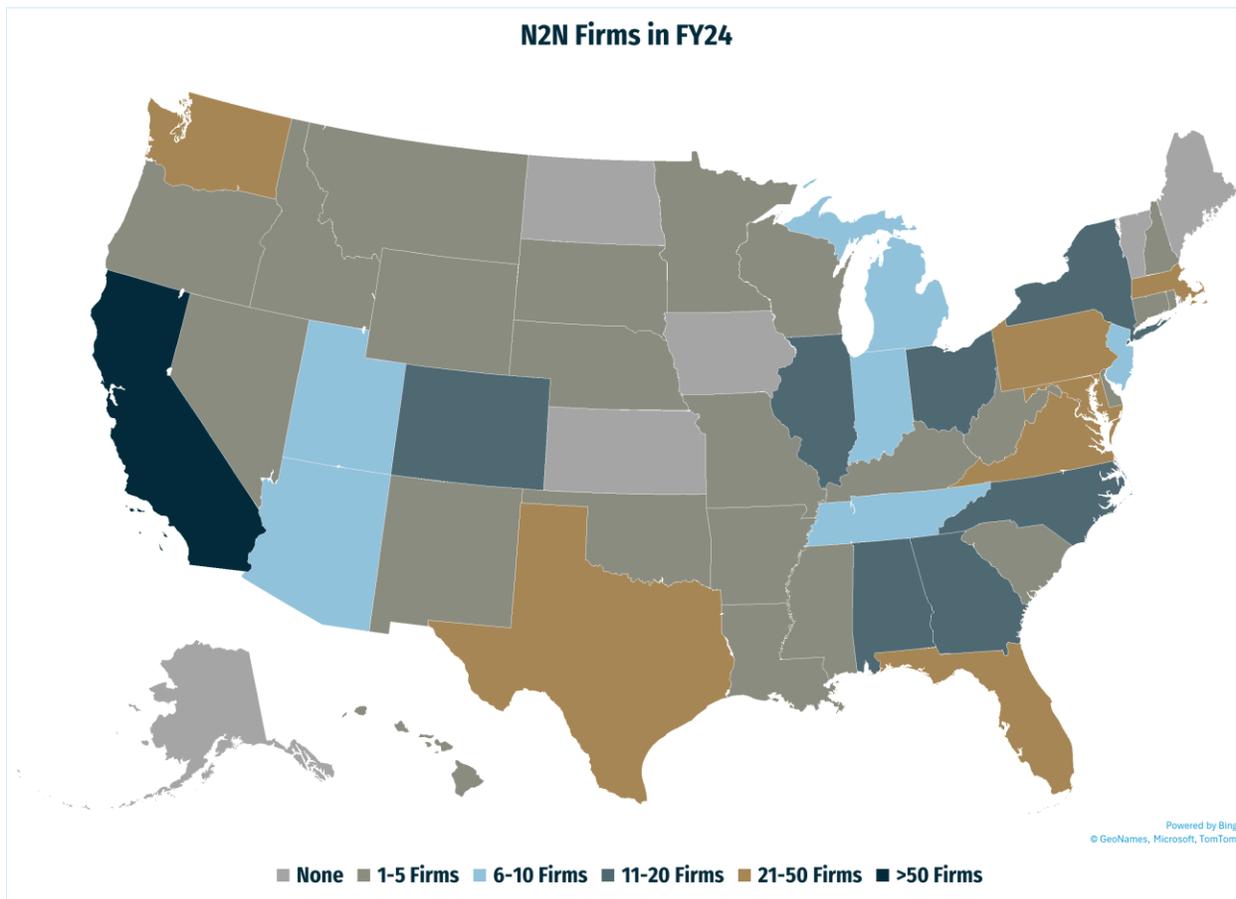
- 78% derived from prior DON topics and contracts
- 16% attributed to Air Force topics and contracts
- Remaining 6% derived from seven other DoW components/agencies and NASA

DON-sponsored transition programs benefited many of the Phase III contracts with 30% deriving from a Phase II project that participated in Navy STP and 8% having Commercialization Readiness Program support.

NAVSEA PEOs			
<b>NECC</b>	Navy Expeditionary Combat Command	<b>PEO SSN</b>	PEO Attack Submarines
<b>PEO CARRIER</b>	PEO Aircraft Carriers	<b>PEO SUB</b>	PEO Submarines
<b>PEO IWS</b>	PEO Integrated Warfare Systems	<b>PEO USC</b>	PEO Unmanned and Small Combatants
<b>PEO SHIP</b>	PEO Ships	<b>PEO UWS</b>	PEO Undersea Warfare Systems
NAVAIR PEOs			
<b>PEO(A)</b>	PEO Air Anti-Submarine Warfare, Assault & Special Mission		
<b>PEO(CS)</b>	PEO Aviation Common Systems and Commercial Services		
<b>PEO(T)</b>	PEO Tactical Aircraft Programs		
<b>PEO(U&amp;W)</b>	PEO Unmanned Aviation and Strike Weapons		
<b>Joint PEO JSF</b>	F-35 Lightning II Joint Program Office		

## Appendix

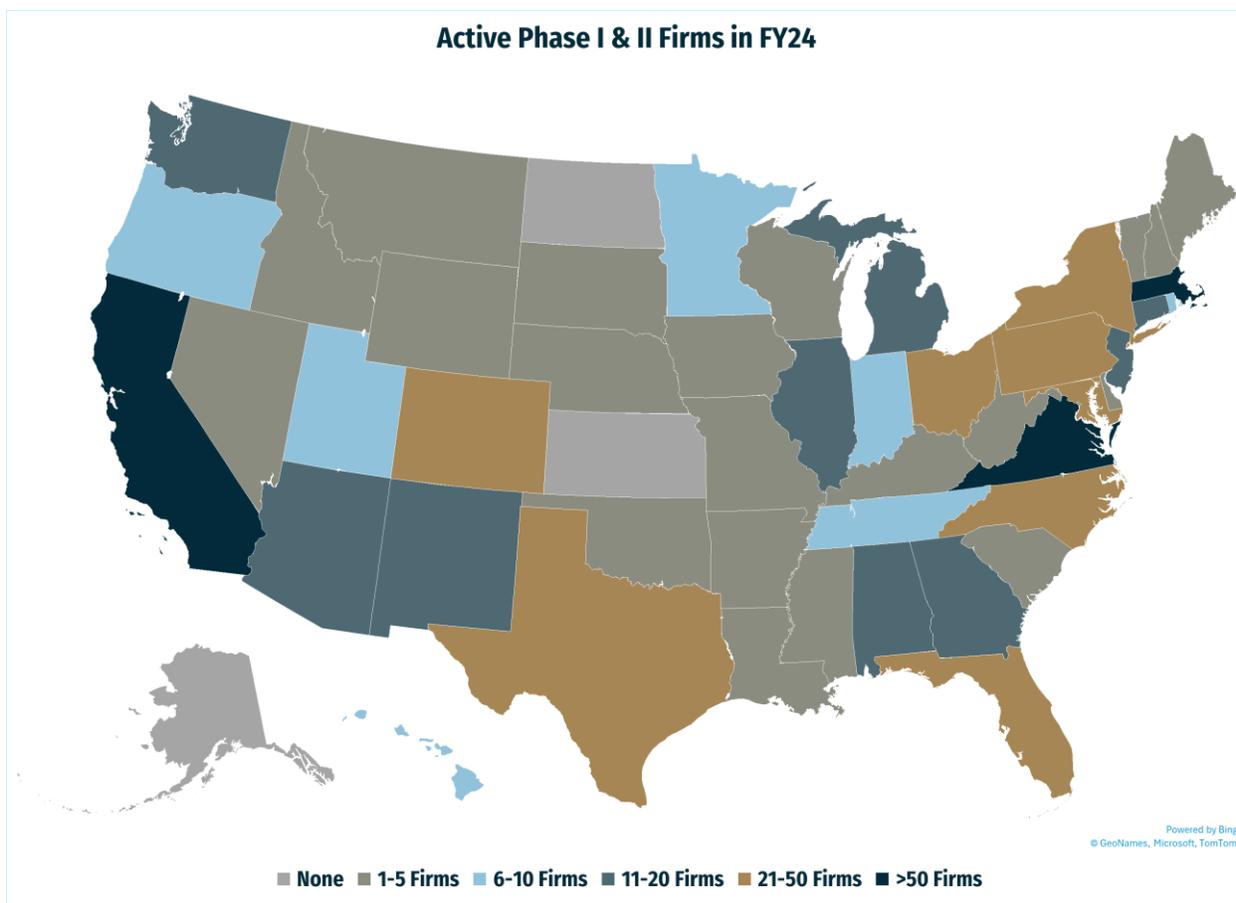
Figure 1 - Firms submitting a proposal to DON SBIR/STTR for the first time – New to Navy.



Not shown in this graphic is the Commonwealth of Puerto Rico, which had two firms submit a proposal to DON SBIR/STTR for the first time; California had over 100 firms submit DON SBIR/STTR proposals for the first time.

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Figure 2 – Distribution of firms with an active Phase I and/or Phase II contract in FY24



All but three states – Alaska, Kansas, and North Dakota – had at least one firm with an active contract in FY24; over half of the states had at least six firms.