

2023



Year in Review

DEPARTMENT OF THE NAVY
SBIR / STTR PROGRAM OFFICE

OFFICE OF NAVAL RESEARCH | 875 N. Randolph Street, Arlington, VA 22203

DISTRIBUTION STATEMENT A. Approved for public release: distribution unlimited.



List of Abbreviations & Acronyms Used in the Report

BAA	Broad Agency Announcement
CAC	Common Access Card
CPFF	Cost Plus Firm Fixed Price (Contract Type)
DoD	Department of Defense
DoN	Department of the Navy
DP2	Direct-to-Phase II
FFP	Firm Fixed Price (Contract Type)
FOCI	Foreign Ownership, Control, or Influence
FPDS-NG	Federal Procurement Data System – Next Generation
GSA	General Services Administration
MARMC	Mid Atlantic Regional Maintenance Center
MCSC	Marine Corps Systems Command
NAVAIR	Naval Air Systems Command
NAVCENT	United States Naval Forces Central Command
NAVFAC	Naval Facilities Engineering Systems Command
NAVSEA	Naval Sea Systems Command
NAVSUP	Naval Supply Systems Command
NAVWAR	Naval Information Warfare Systems Command
NAWC AD	Naval Air Warfare Center Aircraft Division
NAWC TSD	Naval Air Warfare Center Training Systems Division
NAWC WD	Naval Air Warfare Center Weapons Division
NECC	Navy Expeditionary Combat Command
NIWC ATL	Naval Information Warfare Center Atlantic
NIWC PAC	Naval Information Warfare Center Pacific
NRL	United States Naval Research Laboratory
NSWC	Naval Surface Warfare Center
NUWC	Naval Undersea Warfare Center
ONR	Office of Naval Research
OUSDR(R&E)	Under Secretary of Defense for Research and Engineering
PEO	Program Executive Office
PEO IWS	PEO Integrated Warfare Systems
PEO USC	PEO Unmanned and Small Combatants
PEO(A)	PEO Air Anti-Submarine Warfare, Assault & Special Mission
PEO(CS)	PEO Aviation Common Systems and Commercial Services
PEO(T)	PEO Tactical Aircraft Programs
PEO(U&W)	PEO Unmanned Aviation and Strike Weapons
PMO	DoN SBIR/STTR Program Management Office
PoP	Period of Performance
SBIR	Small Business Innovation Research
SBC	Small Business Concern
SSP	Strategic Systems Program
STTR	Small Business Technology Transfer
SYSCOM	Systems Command
TRL	Technology Readiness Level



Executive Summary

This report provides key stakeholders with a comprehensive one-year look at the DoN SBIR/STTR programs for Fiscal Year 2023 (FY23); it examines the program's approach, portfolio, and impact during the fiscal year. In making this analysis publicly available, DoN SBIR/STTR is providing transparency to its stakeholders: small businesses, Navy and Marine Corps warfighters, and the defense industrial base. The needs of the acquisition, sustainment, and operations communities drive the DoN SBIR/STTR programs. Through sound topic development backed by multi-year fiscal planning and programming, Navy and Marine Corps SYSCOMs select and fund innovative solutions to meet those needs. The result – over time – is a significant return on investment, proven by DoN's increasing Phase III commercialization statistics.

Key FY23 Success Metrics:

- 41% of SBCs submitting proposals were first time applicants to DoN SBIR/STTR.
- On average, 29% of SBCs meet one or more underserved socio-economic categories.
- DoN SBIR/STTR inaugural Open Topic BAA garnered 503 proposals for eight topics – four times greater than our traditional topic average.
- For the second straight year, DoN realized over \$1 billion in Phase III obligations.



DoN SBIR/STTR Success Stories

<https://navysbir.com/success>

Sources and Data Management

All DoD Phase I and Phase II proposals are submitted through the Office of the Under Secretary of Defense for Research and Engineering (OUSD(R&E)) Defense SBIR/STTR Innovation Portal (DSIP). Proposal data from DSIP provides information, including socio-economic data from submitting SBCs. DoN SBIR/STTR programs manage and track Phase I and II data – from proposal submission to contract close-out – using an internal CAC-enabled database. Period of performance, types and sources of funding, and obligation transactions are sourced from original contract documents and/or federal databases and tracked with the same CAC-enabled database. Validated Phase I/II data is reported to OUSD(R&E) DSIP on a quarterly basis and subsequently uploaded to the SBA's database at www.sbir.gov. Phase III data is reconciled using a combination of Federal Procurement Data System-Next Generation (FPDS-NG) data and commercialization records internal to DoN. FPDS-NG data only reflects federally funded and contracted actions; SYSCOM Program Managers may receive additional information from SBCs on other commercialization, not recorded in FPDS-NG: sub-contracts, third party and commercial sales, and Other Transaction Authority purchase orders.



Messages from Leadership

Robert L. Smith | Former Director, DoN SBIR/STTR Programs

When this edition of the Year in Review is published, I will be retired from federal service. The past 12 years as Director were very rewarding despite the many challenges we faced. Through several reauthorizations, continuing resolutions, and even a government shutdown, DoN SBIR/STTR persevered and improved. I am extremely proud of how these programs – and the entire DoN SBIR/STTR team – has ‘stayed the course’ while evolving to meet DoN innovation needs and expanding opportunities for small businesses. I look forward to watching these programs continue to do great things for the Department of the Navy and the United States Marine Corps.

Brian R. Shipley | Director, DoN SBIR/STTR Programs

FY23 was another record-breaking year for the DoN SBIR/STTR, executing more funds to first-time awardees and delivering the most capability through Phase III transition than ever before! First and foremost, DoN SBIR/STTR successfully navigated program execution, continuing awards and support to SBCs, despite delays in passage of National Defense Authorization Act and appropriations bills, and the last-minute reauthorization of SBIR/STTR at the beginning of FY23.

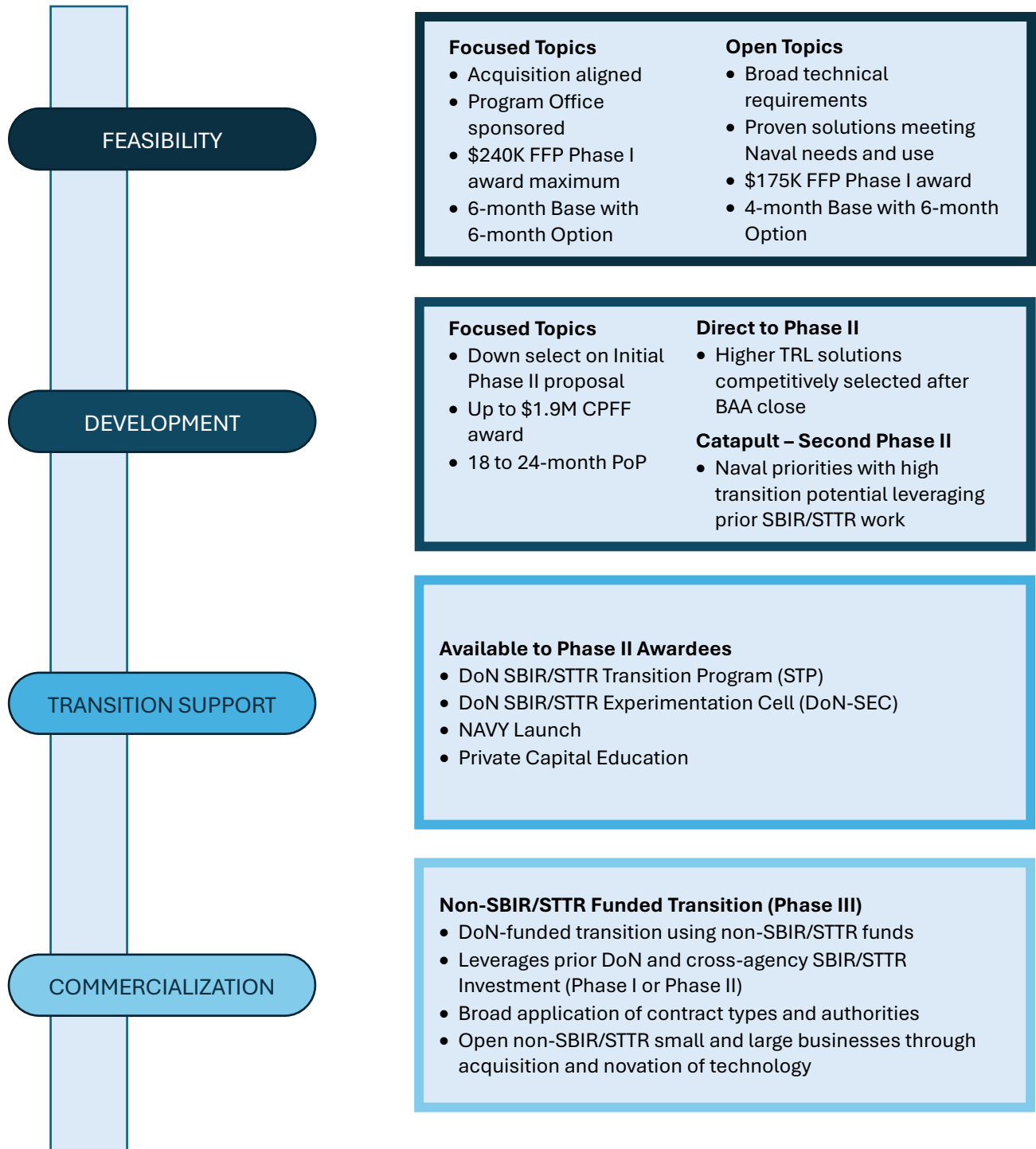
Additionally, our inaugural DoN SBIR “Open Topic” garnered unprecedented interest with 41% of SBCs submitting their first proposals to a DoN SBIR/STTR topic. We also added new partnerships and programs aimed at helping our SBCs transition and commercialize their technologies, and for the second year in a row DoN SBIR/STTR realized over one billion dollars in Phase III obligations.

Our centralized management with decentralized execution of the programs continued to enable our eight SYSCOMs the ability to meet DoN innovation needs. Using an acquisition pull philosophy our SYSCOMs engaged with PEOs and Program Offices to develop topics that meet specific needs, backed by the fiscal and programmatic sponsorship our awardees need. This philosophy is transition-focused, eliminating the guesswork for SBCs, clearly defining end-states by Phase, and offering opportunities to adjust as DoN needs and developed technology matures.

We encourage you to read this report and learn how we support our SBCs to deliver technology on time and at scale. As we steam ahead with the needs of the Fleet and Force at the center of our efforts, this report will demonstrate how the DoN SBIR/STTR programs deliver.



Acquisition Aligned Portfolios & Transition Support



See Appendices for additional tables and graphics



FEASIBILITY

Solicitations

DoN SBIR/STTR participated in all three pre-scheduled Joint DoD BAAs in FY23. In addition to the pre-scheduled BAAs, DoN SBIR program also offered eight Open Topics in the DoD Annual BAA, our first formal Open Topic solicitation. FY23 started strong with a full slate of topics from five SYSCOMs (see table for details on the dates, number, and type of topics for each participating SYSCOM). The second Joint DoD BAA cycle incorporated new reporting requirements related to foreign ownership, control, and influence (FOCI) disclosure as directed by the SBIR/STTR Reauthorization Act of 2022 and modified by the FY23 National Defense Authorization Act. In July, DoN SBIR/STTR launched its first true Open Topic BAA, offering opportunities for SBCs to propose innovative solutions related to logistics in contested environments and a holistic common operational picture. The last cycle of FY23 was significantly impacted by the lack of an approved federal budget and the threat of a government shutdown; only five topics were released due to funding uncertainties. DoD service and agency SBIR/STTR programs experienced significant learning curves as the collective group worked through the new Due Diligence process to collect FOCI disclosure data, assess the risks presented, and implement initial policies and procedures – DoN SBIR/STTR was no exception. The PMO re-assessed proposal processes and procedures throughout the year, focusing on improving the small business experience while meeting new federal law requirements. The PMO will implement continuous improvement checks and changes into FY24 and beyond.

Sponsoring SYSCOM	Number and Type of Topics			
	SBIR	STTR	DP2	Open
➤ 23.1 / 23.A BAA – Opened February 8, Closed March 8				
MCSC	5			
NAVAIR	22	8	1	
NAVSEA	29	6		
ONR	15	15		
SSP	7		5	
Total	78	29	6	
➤ 23.2 / 23.B BAA – Opened May 17, Closed June 14				
MCSC	4			
NAVAIR	17	5	1	
NAVSEA	2		2	
ONR	10			
SSP	5			
Total	38	5	3	
➤ 23.4 Navy Open Topics BAA – Opened July 13, Closed August 15				
MCSC				1
NAVAIR				1
NAVSEA				4
NAVWAR				2
Total				8
➤ 23.3 BAA – Opened September 20, Closed October 18				
NAVFAC	2			
NAVWAR	1		1	
ONR	1			
Total	4		1	
FY23 DoN SBIR/STTR TOTAL	120	34	10	8



DoN SBIR/STTR Year in Review FY23

Proposals

Challenges to the FY23 BAA process did not appear to impact interest in DoN SBIR/STTR programs as the volume of proposals to the limited number of topics reflects. Nearly all topics, especially the Open Topics, experienced higher than average proposal submissions. Participation by SBCs meeting one or more underserved socio-economic categories remained strong, and DoN SBIR/STTR continues to explore additional

BAA	Type	Topics	Proposals	Avg. Per Topic
23.1	SBIR	78	1,312	16
	DP2	6	32	5
23.A	STTR	29	256	8
23.2	SBIR	38	659	17
	DP2	3	19	6
23.B	STTR	5	28	5
23.4	Open	8	503	62
23.3	SBIR	4	128	32 ¹
	DP2	1	7	7
FY23 Total		172	2,944	17

outreach venues to connect with these SBCs. The number of SBCs submitting their first proposals to a DoN SBIR/STTR topic – identified as “New to Navy” – also exceeded previous averages. These increased rates validate our continued emphasis on outreach and attracting non-traditional SBCs to DoN SBIR/STTR programs. DoN SBIR/STTR first formal Open Topic solicitation was well received and exceeded expectations. Thirty-nine percent of the proposing SBCs were new to working with DoN SBIR/STTR, almost ten percent higher than our thirty percent average for traditional topics. Similarly, the percentage of underserved SBCs identifying with one or more underserved socio-economic categories was consistently at or above our average rate of thirty percent with a noticeable exception in 23.B (see table below).

BAA	23.1	23.A	23.2	23.B	23.4	23.3	Total
Unique Firms	735	194	433	25	344	130	1,366
Firms New to Navy	217	38	129	2	133	39	558
% New to Navy	30%	20%	30%	8%	39%	30%	41%
Firms reporting any socio-economic category	253	57	127	11	108	42	598
% meeting any socio-economic category	34%	29%	29%	44%	31%	32%	33%
Minority Owned Business	105	28	44	4	40	13	
Woman Owned Small Business	98	21	50	8	29	18	
HUBZone Business	25	8	9	0	13	3	
Veteran Owned Small Business	79	11	43	1	50	17	
Service-Disabled Veteran Owned Small Business	39	6	17	0	34	14	

DoN STTR topic respondents partnered with 148 unique research institutions – non-profit colleges and universities, nonprofit research organizations, and federally funded R&D centers (FFRDC) – for their 284 proposals. These institutions hail from 41 states and the District of Columbia. Additionally, 275 DoN SBIR proposals identified over 150 different university partnerships in their submissions. The top six research institute partners are shown in the table.

Top STTR Research Institute Partners	Proposals
The Pennsylvania State University	10
Virginia Tech	10
Penn State Applied Research Laboratory	8
Purdue University	7
Texas A&M University	7
University of Colorado Boulder	7

¹ NAVWAR and ONR each had one topic with 4 proposals per topic. NAVFAC had the remaining two topics, one with 48 submissions, the other 72, for an average of 60 per topic.



DoN SBIR/STTR Year in Review FY23

Not surprisingly, DoN SBIR/STTR Open Topic BAA accounted for four of the top ten most ‘popular’ topics based on number of proposals received.

Topic Number	Proposals Received	Topic Title
N234-P02	159	NAVAIR Open Topic for Logistics in a Contested Environment
N234-P05	77	NAVSEA Open Topic for Operations and Logistics in a Contested Environment: Enhance Mission Capabilities of USV/UUV and Systems
N233-118	72	Artificial Intelligence (AI) and Autonomy for Improved Operations and Modernization of Navy Shipyards [NAVFAC]
N234-P01	69	MCSC Open Topic for Logistics in a Contested Environment
N231-049	69	DIGITAL ENGINEERING - Artificial Intelligence/Machine Learning Video Processing and Packaging [NAVSEA]
N232-086	63	Novel Multifunctional Materials and Lightweight Structures for Improved Small Unmanned Aerial Vehicle (UAV) Mission Capability [NAVAIR]
N234-P08	55	NAVWAR Open Topic for Holistic Common Operational Picture (COP): PMW 150
N232-082	53	Non-Destructive Delamination and Crack Detection Solution for USMC Hard Armor Plates [MCSC]
N233-117	48	Defluorination of PFAS-impacted Matrices and Detection Methodologies [NAVFAC]
N231-019	48	Big Data Analytics (BDA): Real-Time Data Mining and Track Fusion of National and Tactical Data [NAVAIR]
N232-092	48	Robust Maritime Target Recognition [NAVAIR]

Phase I Awards

In FY23, DoN SBIR/STTR programs funded 549 new and existing Phase I contracts with 321 SBCs against 183 SBIR topics and 55 STTR topics. Awards were made in either FY22 or FY23; obligations utilized remaining FY22 SBIR/STTR funding in addition to new FY23 funding.

SYSCOM	SBIR		STTR		Total	
	Contracts	Funding	Contracts	Funding	Contracts	Funding
MCSC	21	\$2,662,989			21	\$2,662,989
NAVAIR	96	\$12,454,825	34	\$4,453,851	130	\$16,908,676
NAVFAC	4	\$728,786			4	\$728,786
NAVSEA	119	\$14,938,013	24	\$2,968,216	143	\$17,906,229
NAVWAR	7	\$1,212,491			7	\$1,212,491
ONR	106	\$15,415,685	64	\$8,358,498	170	\$23,774,183
SSP	74	\$9,731,579			74	\$9,731,579
Total	427	\$57,144,367	122	\$15,780,565	549	\$72,924,932

DoN SBIR/STTR awarded 411 new Phase I contracts during FY23. These new contracts covered 128 SBIR and STTR topics across seven SYSCOMs with an average period of performance of 263 days; total obligations were over \$59M. The average SBIR contract obligation for these new awards was \$145K; the 322 new SBIR contracts had total obligations over \$46.6M. The average STTR contract obligation was \$140K; the 89 new STTR contracts had total obligations over \$12.4M.



DoN SBIR/STTR Year in Review FY23

On par with proposals, 79 of the 321 SBCs receiving Phase I funding in FY23 self-identified with one or more of the underserved socioeconomic categories.

Socio-Economic Category	Firms Meeting Criteria	Percent of Awardees
One or More Category	79	24.6%
Minority Owned Business	28	8.7%
Woman Owned Small Business	36	11.2%
HUBZone Business	7	2.2%
Veteran Owned Small Business	24	7.5%
Service-Disabled Veteran Owned Small Business	10	3.1%

DEVELOPMENT

Initial Phase II Awards

DoN SBIR/STTR Program funded 465 new and existing initial Phase II contracts with 281 SBCs against 370 SBIR topics and 60 STTR topics in FY23 as depicted in the table below. Awards were made between FY18 and FY23; obligations utilized remaining FY22 SBIR/STTR funds in addition to new FY23 authorized funds.

SYSCOM	SBIR			STTR			Total		
	Contracts	SBIR Funding	Non-SBIR Matching Funding	Contracts	STTR Funding	Non-STTR Matching Funding	Contracts	SBIR/STTR Funding	Matching Program Funding
DON	1	\$309,295					1	\$309,295	
MCSC	15	\$8,880,057		1	\$1,001,437		16	\$9,881,494	
NAVAIR	159	\$65,033,572	\$7,812,010	21	\$9,757,442		180	\$74,791,014	\$7,812,010
NAVFAC	3	\$1,498,339					3	\$1,498,339	
NAVSEA	104	\$60,338,813	\$489,988	17	\$8,909,651		121	\$69,248,464	\$489,988
NAVSUP	2	\$499,898					2	\$499,898	
NAVWAR	19	\$10,040,701	\$2,781,460	1	\$500,000		20	\$10,540,701	\$2,781,460
ONR	67	\$44,352,789	\$6,049,801	27	\$16,977,711	\$216,000	94	\$61,330,500	\$6,265,801
SSP	28	\$19,611,828					28	\$19,611,828	
Total	398	\$210,565,292	\$17,133,259	67	\$37,146,241	\$216,000	465	\$247,711,533	\$17,349,259

Similar but slightly better than Phase I awards, 77 of 281 SBCs receiving initial Phase II funding in FY23 self-identified with one or more the underserved socioeconomic categories.

Socio-Economic Category	Firms Meeting Criteria	Percent of Awardees
One or More Category	77	27.4%
Minority Owned Business	28	10.0%
Woman Owned Small Business	32	11.4%
HUBZone Business	6	2.1%
Veteran Owned Small Business	21	7.5%
Service-Disabled Veteran Owned Small Business	4	1.4%

DoN SBIR/STTR awarded 171 new initial Phase II contracts during FY23. These new contracts covered 156 topics – 133 SBIR, 23 STTR – across seven SYSCOMs with an average period of performance of 678 days; total obligations were over \$123M. The 144 new SBIR contracts had total obligations over



DoN SBIR/STTR Year in Review FY23

\$104M, with an average obligation of \$722K. The 27 new STTR contracts had total obligations over \$19M, with an average obligation of \$711K.

Catapult Phase II Awards

In FY23, DoN SBIR/STTR programs introduced a new term to categorize specific Phase II awards: *Catapult*. Catapult is not a new way of doing business and does not change our processes or procedures. Catapult is simply a way to describe DoN-issued Sequential² and Subsequent³ Phase II awards that meet high priority Naval needs, have a strong transition path, and have the potential for matching funds. DoN SBIR/STTR funded 72 Catapult Phase II contracts in FY23, 37 of which were new contract starts.

Catapult efforts engaged 67 SBCs from 21 different states; 22 of the 67 SBCs identified with one or more underserved socio-economic categories. Catapult awards derived from or extended the work of 68 unique topics issued by DoN and five other federal agencies.

Socio-Economic Category	Firms Meeting Criteria	Percent of Catapult Awardees
One or More Category	22	33.3%
Minority Owned Business	10	15.2%
Woman Owned Small Business	6	9.1%
HUBZone Business	1	1.5%
Veteran Owned Small Business	9	13.6%
Service-Disabled Veteran Owned Small Business	7	10.6%

SYSCOM	New Catapult SBIR/STTR			Continued Catapult SBIR			Total Catapult			
	Contracts	SBIR/STTR Funding	Non-SBIR/STTR Matching Funding	Contracts	SBIR/STTR Funding	Non-SBIR/STTR Matching Funding	Contracts	SBIR/STTR Funding	Matching Program Funding	Total Funding
DoN	6	\$8,142,135		1	\$1,135,384		7	\$9,277,519		\$9,277,519
MCSC	4	\$4,968,836					4	\$4,968,836		\$4,968,836
NAVAIR	9	\$5,713,621	\$497,757	11	\$6,317,435	\$602,556	20	\$12,031,056	\$1,100,313	\$13,131,369
NAVSEA	2	\$1,790,638	\$1,450,000	9	\$4,582,532	\$3,155,431	11	\$6,373,170	\$4,605,431	\$10,978,601
NAVWAR	4	\$2,954,428		8	\$3,977,888	\$749,918	12	\$6,932,316	\$749,918	\$7,682,234
ONR-SBIR	7	\$4,799,896	\$2,139,374	6	\$1,006,157	\$1,702,599	13	\$5,806,053	\$3,841,973	\$9,648,026
ONR-STTR	2	\$1,500,000	\$714,981				2	\$1,500,000	\$714,981	\$2,214,981
SSP	3	\$2,699,401					3	\$2,699,401		\$2,699,401
Total	37	\$32,568,955	\$4,802,112	35	\$17,019,396	\$6,210,504	72	\$49,588,351	\$11,012,616	\$60,600,967

Sequential Awards

In FY23, DoN SBIR/STTR programs funded 53 Sequential Phase II awards deriving from 49 DoN topics. Twenty-six contracts were new awards. Several contracts were Sequential awards on topics from prior year Technology Acceleration pilot program BAAs:

² SBA Policy Directive, May 3, 2023, para 4.(b)(5): A Phase II Awardee may receive one additional, sequential Phase II award to continue the work of an initial Phase II award. The additional, sequential Phase II award has the same guideline amounts and limits as an initial Phase II award.

³ Ibid., para 4.(b)(7): A concern that has received a Phase I award from an agency may receive a subsequent Phase II award from another agency if each agency makes a written determination that the topics of the relevant awards are the same and both agencies report the awards to the SBA including a reference to the related Phase I award and initial Phase II award if applicable.



DoN SBIR/STTR Year in Review FY23

- In September 2019, DoN released three topics in the 19.3 BAA as a Technology Acceleration pilot program, focusing on faster award times and utilizing Basic Ordering Agreements (BOA). Three Delivery Orders, issued in FY22 and funded in FY23, are considered Sequential Awards under two of the three topics.
- In January 2020, DoN released two Technology Acceleration topics in the 20.1 BAA under a pilot program known as Accelerated Delivery and Acquisition of Prototype Technologies (ADAPT). Three contracts, awarded in FY23, were Sequential awards under this effort.
- In April 2020, DoN released four Defense Industrial Base (DIB) Technology Acceleration topics under a special SBIR BAA 20.4 seeking proposals from “innovative startups and small businesses that demonstrate development and commercialization of dual-use technologies responsive to topic requirements while also meeting unmet market demands.”⁴ Three FY23 contracts were Sequential Phase II awards against two of the topics in this special BAA.

Topic Type	Number of Topics	Contracts	Total Obligations
Traditional SBIR/STTR	43	44	\$34,112,661
Tech Acceleration (19.3)	2	3	\$1,602,608
ADAPT (20.1)	2	3	\$4,873,781
DIB Tech Acceleration (20.4)	2	3	\$3,268,354
Totals	49	53	\$43,857,404

Subsequent Awards

DoN SBIR/STTR programs funded 19 Subsequent Phase II awards in FY23, deriving from 19 topics issued by other DoD and Federal agencies. Eleven contracts were new starts in FY23.

Topic Agency	Number of Topics	Contracts	Total Obligations
Army	2	2	\$1,040,186
DHA	1	1	\$1,969,932
NASA	3	3	\$3,115,296
SOCOM	2	2	\$1,999,779
USAF	11	11	\$8,618,370
Totals	19	19	\$16,743,563

TRANSITION SUPPORT

DoN SBIR/STTR Transition Program (Navy STP)

Navy STP is an 11-month program offered to DoN SBIR/STTR Phase II awardees who are not utilizing Discretionary Technical and Business Assistance (TABAs) in Phase II. Completing its twenty-third year and kicking off the twenty-fourth program year in FY23, Navy STP has been a long-standing vehicle for connecting SBIR/STTR-funded technologies with warfighters, government acquisition and technical personnel, prime contractors, system integrators, and other potential partners and collaborators. The program takes a holistic approach to assisting selected small businesses in transitioning their technologies through business mentoring, training, marketing material creation, and business development activities and promotion. Small businesses who participate in Navy STP

⁴ <https://navysbir.com/previous.htm>



DoN SBIR/STTR Year in Review FY23

are 20% more likely to commercialize their technology than firms that do not participate in the program.

Cohort	SBCs	Topics	Phase II Projects
23 rd Program Year: 2022-2023	126	137	152
24 th Program Year: 2023-2024	115	137	149

DoN SBIR/STTR Experimentation Cell (DoN-SEC)

DoN-SEC connects SBIR/STTR innovators with the DoN experimentation community to deliver innovative solutions for the warfighter. DoN-SEC provides the full spectrum of end-to-end facilitation, mentoring, and training in all aspects of DoN and Joint experimentation. In FY23, DoN-SEC engaged with and reviewed a total of 173 SBIR projects for potential experimentation participation. Ultimately 101 projects received DoN-SEC support: 55 projects are actively working towards experimentation and 46 are not ready for experimentation but receiving direct support that facilitated connections and training on event preparation and processes. Nine projects received DoN-SEC event support while participating in Silent Swarm, Trident Spectre, Coastal Trident 2023, and two Technology Operational Experimentation Exercises. The DoN-SEC team also participated in several outreach events in collaboration with Navy STP to meet new potential DoN-SEC participants, gaining insight on their technology, and support current DoN-SEC participants with networking and introductions to experimentation organizations.

NAVY Launch

NAVY Launch, established in 2019, is a transformative program designed to guide DoN SBIR/STTR participants toward successful commercialization in private markets. This distinction is important: NAVY Launch does not support SBCs looking to develop and sell to the defense marketplace. Its core mission is to reduce sole dependency on government-funded R&D and to encourage private-sector investments, thereby fostering broader economic growth. The program is strategically structured into two stages: the educational Stage 1 that reaches a wide audience of SBIR awardees; and the intensive Stage 2 that provides tailored acceleration services to a select group of 20 companies. In FY23, 74 of 321 eligible SBCs participated in Stage 1.

Participants in NAVY Launch Stage 2 gain critical insights into market selection, entry decision frameworks, and customer discovery processes crucial for achieving product-market fit. During this stage, advisors work intensely with participants to refine their commercialization strategies, emphasizing Lean Startup Methodology, customer discovery, understanding of licensing and IP, and pitching skills. These efforts culminated in creating concise, impactful pitch decks and identifying key deliverables for engaging potential customers, partners, or investors. One participant successfully secured \$10,000,000 in private investment and subsequently earned \$2,000,000 in commercial revenue, while two other participants each generated \$500,000 in commercial revenue, showcasing significant progress and strong investor confidence. These strategic developments, informed by the insights gained during Stage 2, are set to shape the four common pathway strategies for FY24, aiming to enhance the program's alignment and effectiveness significantly. Since its inception in 2019, NAVY Launch has successfully accelerated 65 companies, who collectively raised over \$50,225,000 in funding and secured \$15,200,000 in commercial contracts, marking significant strides in commercial readiness and economic impact.



Private Capital Education

In FY23, in response to an increasing number of venture firms willing to fund and support SBIR/STTR performers, DoN SBIR/STTR initiated the Navy Private Capital Education Program. This program will formally launch in FY24 and is designed to enhance SBC knowledge of venture capital: how and when to access it, what to look for, and what risks and rewards this funding offers. This program will be a comprehensive educational and networking initiative to provide seminars, investor panels, and investor networking sessions geared toward increasing knowledge about the dual-use venture capital community and the art and science of raising venture capital for DoN SBIR/STTR SBCs.

COMMERCIALIZATION

Phase III Awards

DoN SBIR/STTR continued its Phase III success trend with another billion-dollar fiscal year. DoN SYSCOMs and operational commands obligated \$1,200,696,845 in non-SBIR/STTR funds to small and large firms for work “that derives from, extends, or completes an effort made under prior SBIR/STTR Funding Agreements,”⁵ exercising the full capability of Phase III authorities.

Contracting Agency	Contract Vehicles	Obligated
GSA	93	\$333,351,544
NAWC AD	89	\$232,111,732
NAVSEA	29	\$174,445,136
NSWC	62	\$109,716,655
NAWC TSD	15	\$79,603,671
ONR	24	\$64,194,196
NAVAIR	10	\$49,642,208
NAVWAR	21	\$28,957,827
NAWC WD	10	\$20,903,686
US ARMY	2	\$19,918,788
NUWC	43	\$19,721,478
NAVSUP	15	\$14,943,126
NRL	3	\$12,536,956
NIWC PAC	7	\$11,554,800
MCSC	4	\$9,162,424
NIWC ATL	1	\$7,452,894
USAF	8	\$4,455,099
SSP	1	\$3,812,407
USMC	2	\$2,113,164
MARMC	1	\$2,099,052
Grand Total	440	\$1,200,696,845

Source	Amount
NAVSEA	\$486,837,772
NAVAIR	\$386,788,803
USMC	\$95,290,979
ONR	\$94,501,531
DON ⁵	\$78,450,971
NAVWAR	\$41,691,210
NAVSUP	\$13,323,173
SSP	\$3,812,407
Total	\$1,200,696,845

Funding was executed through 440 unique contracting actions by 20 different DoN, DoD, and Federal contracting offices. Various contracting vehicles derived or extended the work of 236 SBIR/STTR topics from 10 unique DoD components and Federal agencies to 158 SBCs across 36 states and the District of Columbia.

Contract Vehicle	Number	Amount
Definitive Contract	129	\$692,312,853
BOA Delivery Order	76	\$189,808,037
IDC Delivery Order	220	\$311,853,015
Purchase Order	12	\$4,445,189
BPA Call	3	\$2,277,752
Total	440	\$1,200,696,845

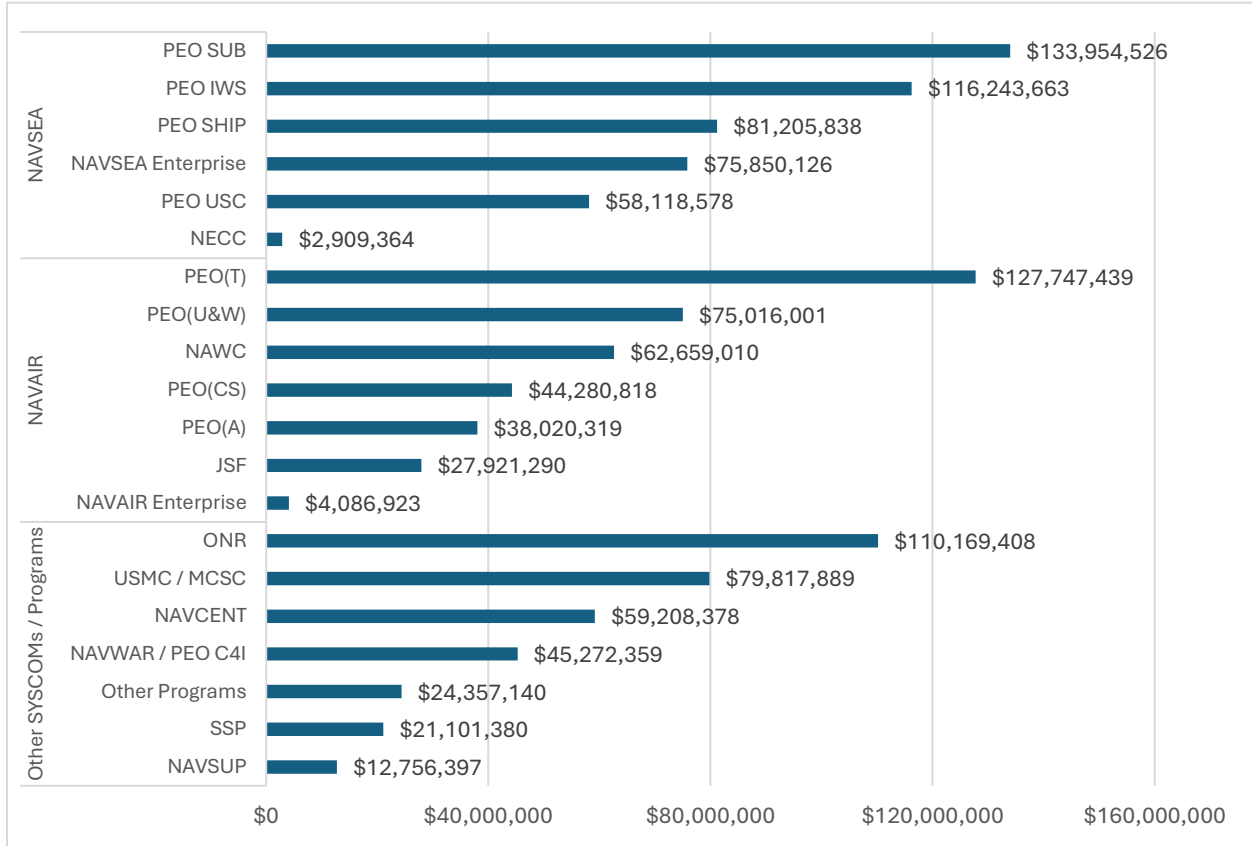
⁵ Collection of Phase III obligations not in support of a specific SYSCOM activity; efforts may support a specific operational command, non-SYSCOM aligned effort, or a DON-wide application.

⁶ Ibid., para 4.(c)



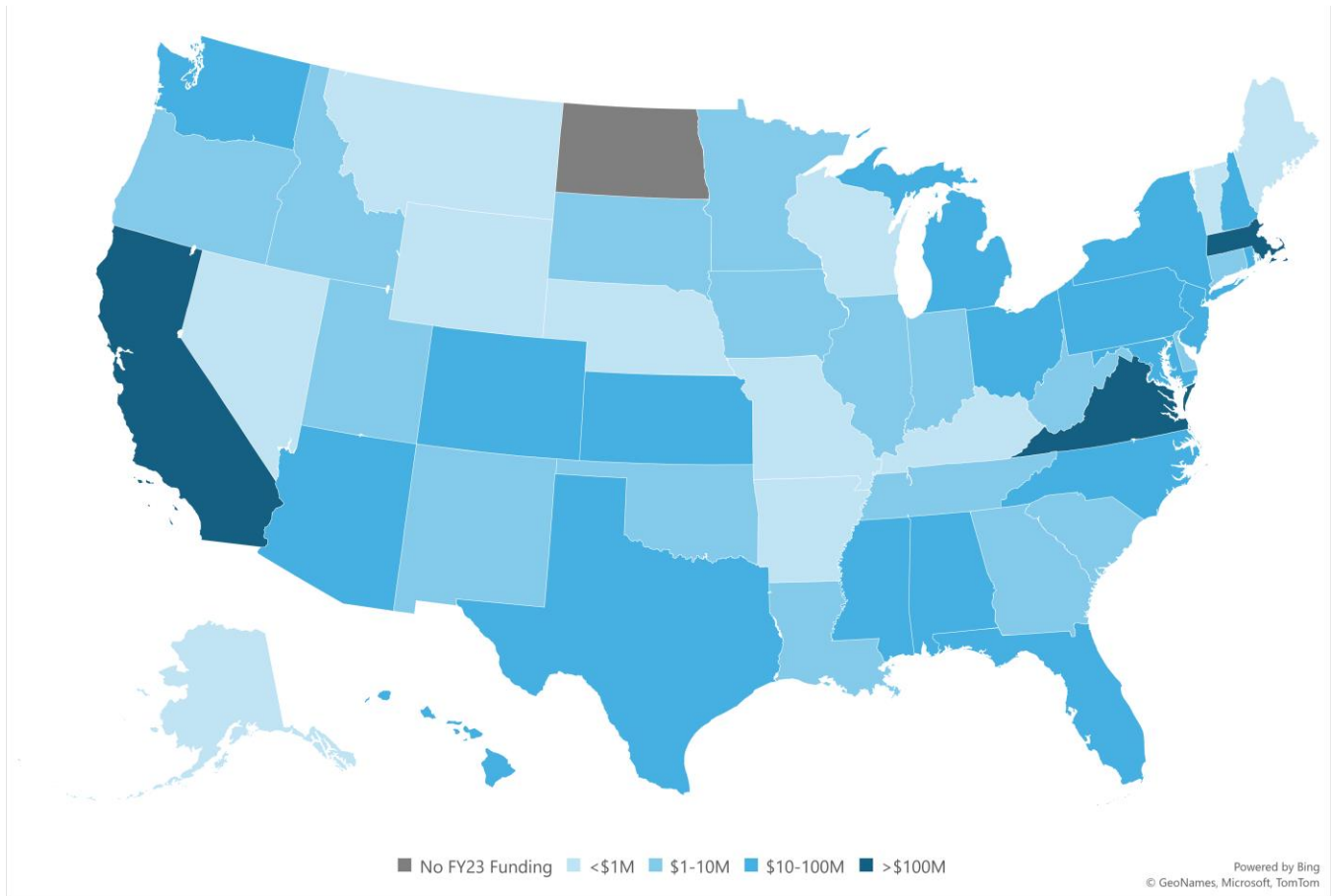
DoN SBIR/STTR Year in Review FY23

Phase III obligations had an impact in seven SYSCOMs, ten PEOs, and fourteen operational commands or units as shown in the chart below. Note: values in chart below and table on previous page will differ due to how the contracts are recorded versus reported to OUSD(R&E) SBIR/STTR Program Office.





Appendix 1 – State Map, all Phases



State	AK	AL	AR	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
Phase I	\$0.0M	\$3.0M	\$0.1M	\$1.3M	\$13.9M	\$3.8M	\$0.5M	\$0.1M	\$0.3M	\$3.8M	\$0.5M	\$0.8M	\$0.0M
Phase II	\$0.0M	\$8.7M	\$0.0M	\$9.4M	\$45.3M	\$11.0M	\$5.7M	\$0.0M	\$0.9M	\$13.5M	\$1.6M	\$2.6M	\$0.0M
Catapult	\$0.0M	\$0.9M	\$0.0M	\$0.0M	\$14.6M	\$0.0M	\$0.6M	\$0.0M	\$0.0M	\$0.7M	\$0.0M	\$1.3M	\$1.5M
Phase III	\$0.1M	\$11.4M	\$0.0M	\$4.6M	\$246.6M	\$18.7M	\$1.0M	\$11.4M	\$8.1M	\$27.2M	\$0.0M	\$25.5M	\$0.0M
Total	\$0.1M	\$23.9M	\$0.1M	\$15.3M	\$320.4M	\$33.4M	\$7.8M	\$11.5M	\$9.3M	\$45.2M	\$2.2M	\$30.2M	\$1.5M
State	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS
Phase I	\$0.8M	\$0.8M	\$1.0M	\$0.0M	\$0.3M	\$0.4M	\$10.8M	\$2.7M	\$0.1M	\$1.0M	\$0.3M	\$0.2M	\$0.0M
Phase II	\$0.5M	\$2.4M	\$1.8M	\$0.0M	\$0.1M	\$3.2M	\$28.9M	\$7.8M	\$0.0M	\$5.1M	\$1.2M	\$0.4M	\$0.0M
Catapult	\$0.6M	\$0.0M	\$0.8M	\$0.0M	\$0.0M	\$0.5M	\$8.7M	\$3.2M	\$0.0M	\$2.4M	\$0.0M	\$0.0M	\$0.0M
Phase III	\$0.4M	\$0.6M	\$2.6M	\$14.7M	\$0.0M	\$0.0M	\$94.0M	\$47.6M	\$0.5M	\$35.6M	\$7.1M	\$0.0M	\$34.3M
Total	\$2.3M	\$3.8M	\$6.2M	\$14.7M	\$0.4M	\$4.1M	\$142.4M	\$61.3M	\$0.6M	\$44.1M	\$8.6M	\$0.6M	\$34.3M
State	MT	NC	ND	NE	NH	NJ	NM	NV	NY	OH	OK	OR	PA
Phase I	\$0.1M	\$2.3M	\$0.0M	\$0.0M	\$1.0M	\$1.6M	\$0.4M	\$0.2M	\$1.7M	\$2.6M	\$0.1M	\$0.8M	\$3.5M
Phase II	\$0.4M	\$5.0M	\$0.0M	\$0.0M	\$2.4M	\$10.3M	\$2.4M	\$0.0M	\$7.2M	\$8.8M	\$0.0M	\$2.8M	\$15.9M
Catapult	\$0.0M	\$1.0M	\$0.0M	\$0.8M	\$0.0M	\$2.0M	\$0.0M	\$0.0M	\$0.0M	\$2.7M	\$0.0M	\$1.1M	\$5.3M
Phase III	\$0.0M	\$12.7M	\$0.0M	\$0.0M	\$18.2M	\$8.5M	\$0.0M	\$0.0M	\$19.6M	\$46.6M	\$3.3M	\$0.0M	\$18.1M
Total	\$0.5M	\$21.0M	\$0.0M	\$0.8M	\$21.7M	\$22.5M	\$2.8M	\$0.2M	\$28.5M	\$60.8M	\$3.4M	\$4.6M	\$42.8M
State	RI	SC	SD	TN	TX	UT	VA	VT	WA	WI	WV	WY	All States
Phase I	\$0.9M	\$0.1M	\$0.2M	\$0.5M	\$3.2M	\$0.3M	\$5.6M	\$0.2M	\$0.2M	\$0.1M	\$0.1M	\$0.1M	\$72.9M
Phase II	\$1.9M	\$0.8M	\$0.0M	\$0.6M	\$14.6M	\$3.4M	\$32.9M	\$0.0M	\$2.2M	\$0.6M	\$0.4M	\$0.0M	\$262.5M
Catapult	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$2.8M	\$1.9M	\$7.2M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$60.6M
Phase III	\$19.7M	\$0.4M	\$5.1M	\$1.4M	\$2.6M	\$1.8M	\$432.6M	\$0.0M	\$13.9M	\$0.0M	\$4.5M	\$0.0M	\$1.201B
Total	\$22.5M	\$1.4M	\$5.3M	\$2.5M	\$23.2M	\$7.3M	\$478.2M	\$0.2M	\$16.3M	\$0.7M	\$5.0M	\$0.1M	\$1.597B



DoN SBIR/STTR Year in Review FY23

Appendix 2 – Full Data by State, All Phases

State	New Phase I Proposals	New Phase I Awards	All Phase I Funding	New Phase II Awards	All Phase II Funding	Phase III Contract	Phase III Dollars	Total Funding
Alabama - AL	95	19	\$2,962,925	8	\$9,567,812	2	\$11,365,303	\$23,896,040
Alaska - AK	3	0	\$0	0	\$0	1	\$132,179	\$132,179
Arizona - AZ	51	4	\$1,265,600	5	\$9,380,704	5	\$4,616,606	\$15,262,910
Arkansas - AR	6	1	\$139,982	0	\$0	0	\$0	\$139,982
California - CA	554	79	\$13,882,018	36	\$59,808,614	86	\$246,554,371	\$320,245,004
Colorado - CO	91	19	\$3,770,960	10	\$10,977,956	7	\$18,651,869	\$33,400,785
Connecticut - CT	119	3	\$481,919	3	\$6,272,715	3	\$1,006,734	\$7,761,368
Delaware - DE	20	2	\$279,733	1	\$899,995	1	\$8,080,004	\$9,259,732
District of Columbia - DC	19	1	\$139,804	0	\$0	7	\$11,377,182	\$11,516,986
Florida - FL	142	21	\$3,823,069	8	\$14,217,783	6	\$27,166,787	\$45,207,638
Georgia - GA	36	3	\$526,443	2	\$1,649,728	0	\$0	\$2,176,171
Hawaii - HI	30	6	\$835,469	2	\$3,861,950	10	\$25,465,405	\$30,162,824
Idaho - ID	7	5	\$807,532	0	\$1,068,393	1	\$389,988	\$2,265,913
Illinois - IL	47	6	\$842,573	2	\$2,395,739	2	\$580,714	\$3,819,026
Indiana - IN	16	6	\$1,010,969	3	\$2,549,394	4	\$2,621,667	\$6,182,030
Iowa - IA	1	0	\$0	1	\$1,499,524	0	\$0	\$1,499,524
Kansas - KS	3	0	\$0	0	\$0	1	\$14,694,467	\$14,694,467
Kentucky - KY	22	2	\$278,391	1	\$125,000	0	\$0	\$403,391
Louisiana - LA	21	3	\$419,138	0	\$3,694,270	0	\$0	\$4,113,408
Maine - ME	3	1	\$139,913	0	\$0	1	\$502,225	\$642,138
Maryland - MD	157	16	\$2,738,515	7	\$10,991,017	25	\$47,589,100	\$61,318,632
Massachusetts - MA	283	63	\$10,799,875	24	\$37,602,002	29	\$94,046,996	\$142,448,873
Michigan - MI	57	5	\$995,879	6	\$7,509,809	4	\$35,580,062	\$44,085,750
Minnesota - MN	18	2	\$279,491	1	\$1,190,385	3	\$7,085,318	\$8,555,194
Mississippi - MS	5	0	\$0	0	\$0	4	\$34,293,505	\$34,293,505
Missouri - MO	21	1	\$239,880	0	\$398,398	0	\$0	\$638,278
Montana - MT	4	0	\$99,933	0	\$421,365	0	\$0	\$521,298
Nebraska - NE	5	0	\$0	0	\$799,956	0	\$0	\$799,956
Nevada - NV	7	1	\$239,996	0	\$0	0	\$0	\$239,996
New Hampshire - NH	36	6	\$1,037,495	2	\$2,448,822	4	\$18,197,795	\$21,684,112
New Jersey - NJ	62	11	\$1,638,767	6	\$12,353,769	6	\$8,467,755	\$22,460,290
New Mexico - NM	30	3	\$419,519	1	\$2,420,362	0	\$0	\$2,839,881
New York - NY	107	10	\$1,709,999	6	\$7,221,266	6	\$19,596,855	\$28,528,120
North Carolina - NC	78	15	\$2,302,760	4	\$5,967,966	3	\$12,733,281	\$21,004,007
North Dakota - ND	1	0	\$0	0	\$0	0	\$0	\$0
Ohio - OH	129	13	\$2,634,087	11	\$11,567,826	19	\$46,646,117	\$60,848,030



DoN SBIR/STTR Year in Review FY23

State	New Phase I Proposals	New Phase I Awards	All Phase I Funding	New Phase II Awards	All Phase II Funding	Phase III Contract	Phase III Dollars	Total Funding
Oklahoma - OK	11	1	\$143,306	0	\$0	1	\$3,296,504	\$3,439,810
Oregon - OR	21	4	\$756,753	1	\$3,877,350	0	\$0	\$4,634,103
Pennsylvania - PA	102	17	\$3,489,612	11	\$21,153,850	15	\$18,137,725	\$42,781,187
Rhode Island - RI	23	5	\$905,744	1	\$1,931,101	31	\$19,684,268	\$22,521,113
South Carolina - SC	21	1	\$146,108	0	\$849,517	1	\$368,150	\$1,363,775
South Dakota - SD	7	1	\$235,951	0	\$0	4	\$5,067,139	\$5,303,090
Tennessee - TN	24	3	\$518,052	0	\$599,998	1	\$1,408,200	\$2,526,250
Texas - TX	178	18	\$3,221,717	12	\$17,365,904	3	\$2,609,112	\$23,196,732
Utah - UT	16	2	\$279,847	3	\$5,243,184	1	\$1,759,645	\$7,282,676
Vermont - VT	7	1	\$239,549	0	\$0	0	\$0	\$239,549
Virginia - VA	206	27	\$5,586,678	25	\$40,059,895	137	\$432,555,782	\$478,202,356
Washington - WA	25	1	\$239,918	3	\$2,169,279	5	\$13,887,384	\$16,296,582
West Virginia - WV	2	1	\$139,937	0	\$400,000	1	\$4,480,652	\$5,020,589
Wisconsin - WI	5	1	\$139,128	2	\$600,000	0	\$0	\$739,128
Wyoming - WY	10	1	\$139,999	0	\$0	0	\$0	\$139,999
FY23 Totals	2944	411	\$72,924,932	208	\$323,112,599	440	\$1,200,696,845	\$1,596,734,376