TAKE CONTROL OF THE FUTURE

YOU ARE NOT JUST A SMALL BUSINESS.
YOU ARE AN ENTREPRENEUR, A START-UP, A GAME CHANGER.
YOU FACE CHALLENGES MOVING YOUR TECHNOLOGY INTO MARKET.

THAT'S WHERE WE COME IN...

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THE DOD PROGRAM

ENTREPRENEURS FACE CHALLENGES

ACCORDING TO BLOOMBERG, 8 OUT OF 10 ENTREPRENEURS WHO START BUSINESSES FAIL WITHIN THE FIRST 18 MONTHS. A WHOPPING 80% CRASH AND BURN.

- Not really in touch with customers through deep
- No real differentiation in the market (read: lack of unique value propositions)
- Failure to communicate value propositions in clear, concise and compelling fashion.
- Leadership breakdown at the top (yes -- founder dysfunction).
- Inability to nail a profitable business model with proven revenue streams.

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SMALL COMPANIES ARE KEY PLAYERS IN BRINGING NEW TECHNOLOGIES TO MARKET

EVIDENCE BASED ENTREPRENUERSHIP

- How to connect with customers in order to truly understand them
  - How to frame the conversation around the problems the customer has rather than the problems the small business thinks a current product or services could solve for that customer.
- How to be iterative in regards to strategy and planning, in order to maintain flexibility and be most responsive to outside change.
- We practice experimentation with new business models.
- Prepare innovators to be wary of the curse of too much capital and resist the temptation to throw resources at innovation efforts.
- Access to practicing SME's
- Engagement Activities (conferences/events, meetings with potential partners, buyers, investors, manufacturers)

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WHY IT MATTERS

DoD BENEFITS

- Increase program awareness to stakeholders – increasing evidence that "inreach" is lagging
- Tool that supports the Defense Industrial Base to diversify suppliers
- Increase business sustainment potentially leads to increase in actual commercialization outcomes
- Increase business sustainment potentially leads to reduction in overall R&D, IP stays "alive" with a company that "lives" to transfer it.
- Symbiosis to other DoD initiatives

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PROGRAM SYMBIOSIS

- Mentor Protégé Program
- Rapid Innovation Fund
- Basic Research Office Initiatives
- MIBP – MANTECH and DPA Title III
- Hacking for Defense
- MD5
- DIUx

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CASE STUDIES

NANOSONIC

FLEXFORCE

LIBERATING TECHNOLOGIES

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ANALYSIS

COMPANIES CAN BE CATEGORIZED INTO THREE GROUPS
For all three groups, Business Development mentoring is *essential*

76% of companies need BD mentoring

1. Inexperienced company; doesn't know how to prospect, nor what to do with a lead
2. Experienced company; doesn't know what to do with a lead
3. Experienced company; knows how to take a lead and convert to a customer

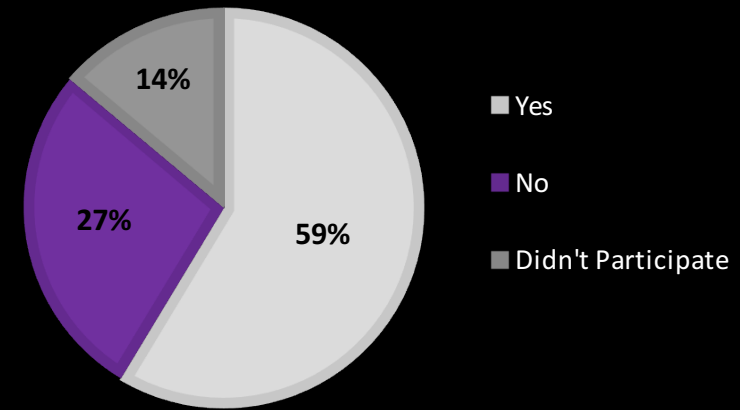
3%

21%

76%

■ Yes

■ No

■ Other
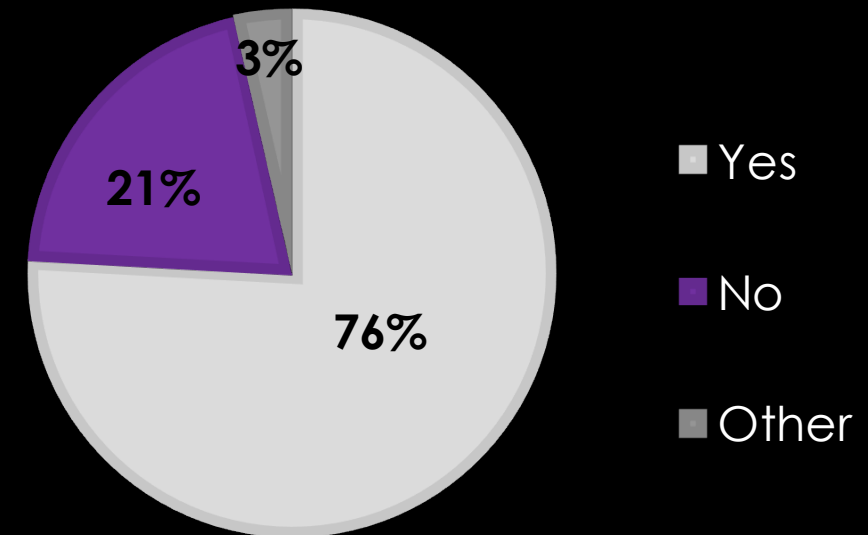
In order to bridge the disconnect between the program and the companies' expectations, the DOD needs to understand the challenges of not knowing how to perform business development as a *very* small business.

Specific components of the program provided value to the companies: Deliverables and Pitch

Was a succinct 5 minute pitch requirement difficult?

- Yes
- No
- Didn't Answer / Didn't participate

14%
45%
41%
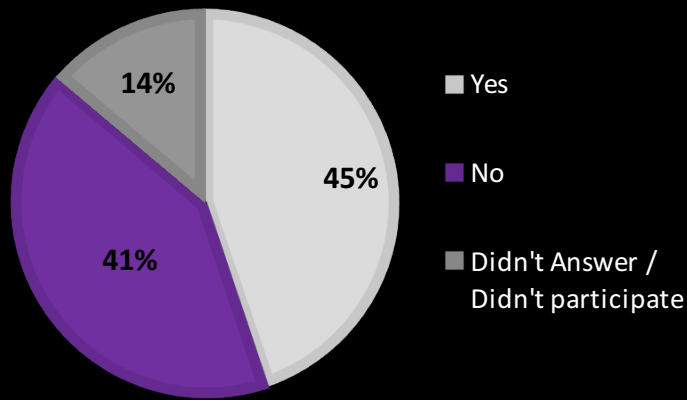
Was the pitch competition helpful?

- Yes
- No
- Didn't Participate

14%
27%
59%

"First of all it was fun... Second, we are enthusiastic about the work underway so it's a welcomed opportunity to speak about it. Third, it provided excellent experience to be applied in commercialization activities. Fourth, preparation with the coach was very helpful and his suggestions were outstanding."

After completing the program, 67% of the companies felt more prepared to interact/pitch to potential customers or investors

Companies were asked on a scale of 1 to 5 to rate how prepared they felt to address potential investors prior to the program, and after the program.

Companies mentioned feeling more ready after refining their value proposition and practicing a 5 minute pitch requirement.

Net change in pitch "readiness"

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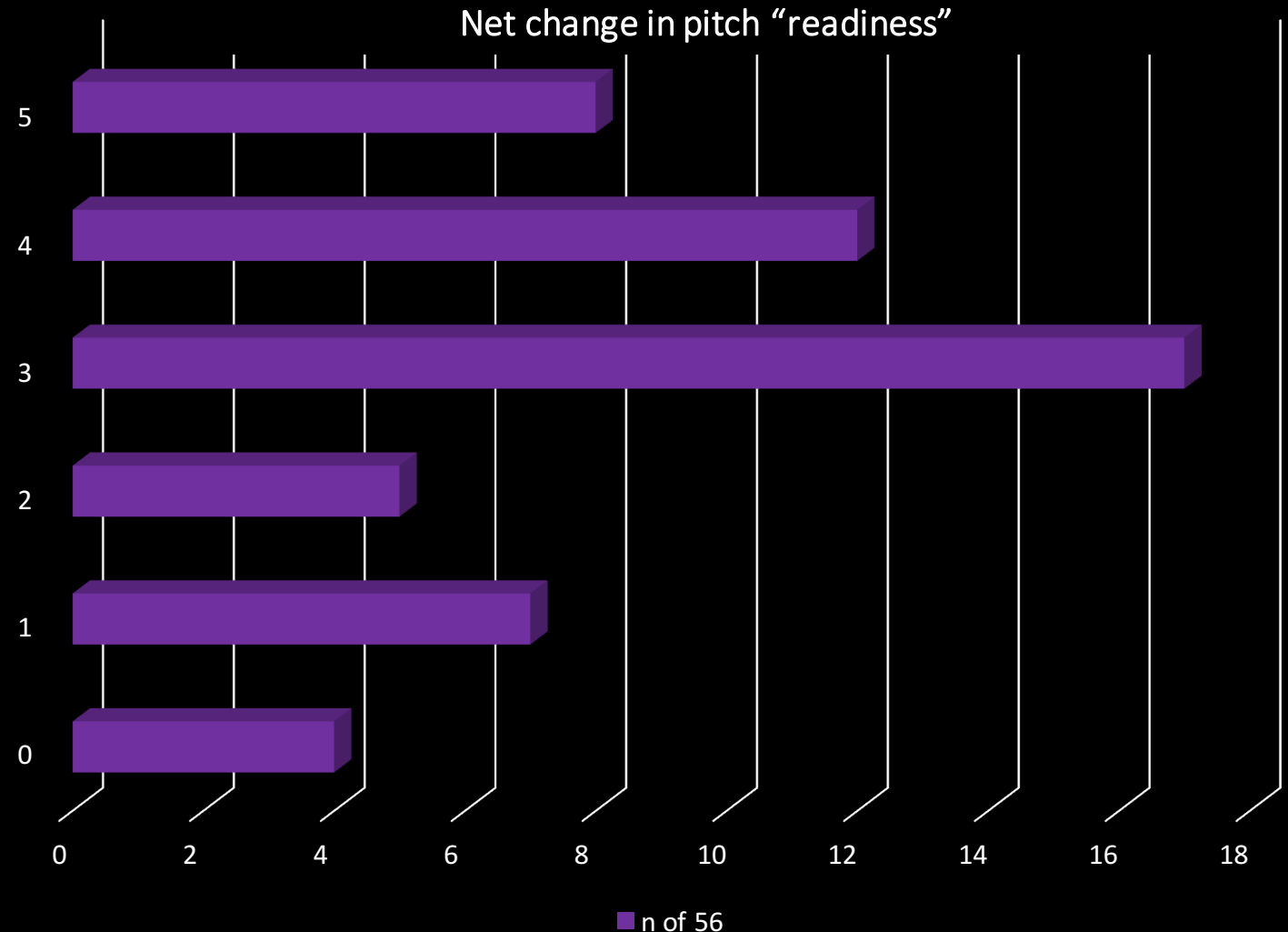
ANALYSIS: PARTICIPANT SNAPSHOT

2016 OVERVIEW

- 125 companies applied for the Pilot Program
- 102 companies qualified, representing 116 eligible SBIR contracts in 34 states.
- 9% of participating companies were from underserved states,
- 6% were located in a Hubzone
- 86 companies graduated the pilot program.

2017 WINTER SESSION OVERVIEW

- 102 companies applied for the Winter Session
- 73 companies qualified, representing 75 eligible SBIR contracts in 24 states.
- 11% of participating companies were from underserved states,
- 8% were located in a Hubzone

ANALYSIS: GEOGRAPHICAL DISPERSION

State	# of Participating Companies
AL	3
AZ	4
CA	15
CO	2
DE	1
GA	4
IL	2
IN	1
MA	5
MD	4
MN	1
NC	1
NH	1
NJ	3
NM	2
NY	2
OH	2
OR	2
PA	2
RI	2
TX	5
UT	1
VA	7
WA	1

ANALYSIS: TOP TECHNOLOGY AREAS
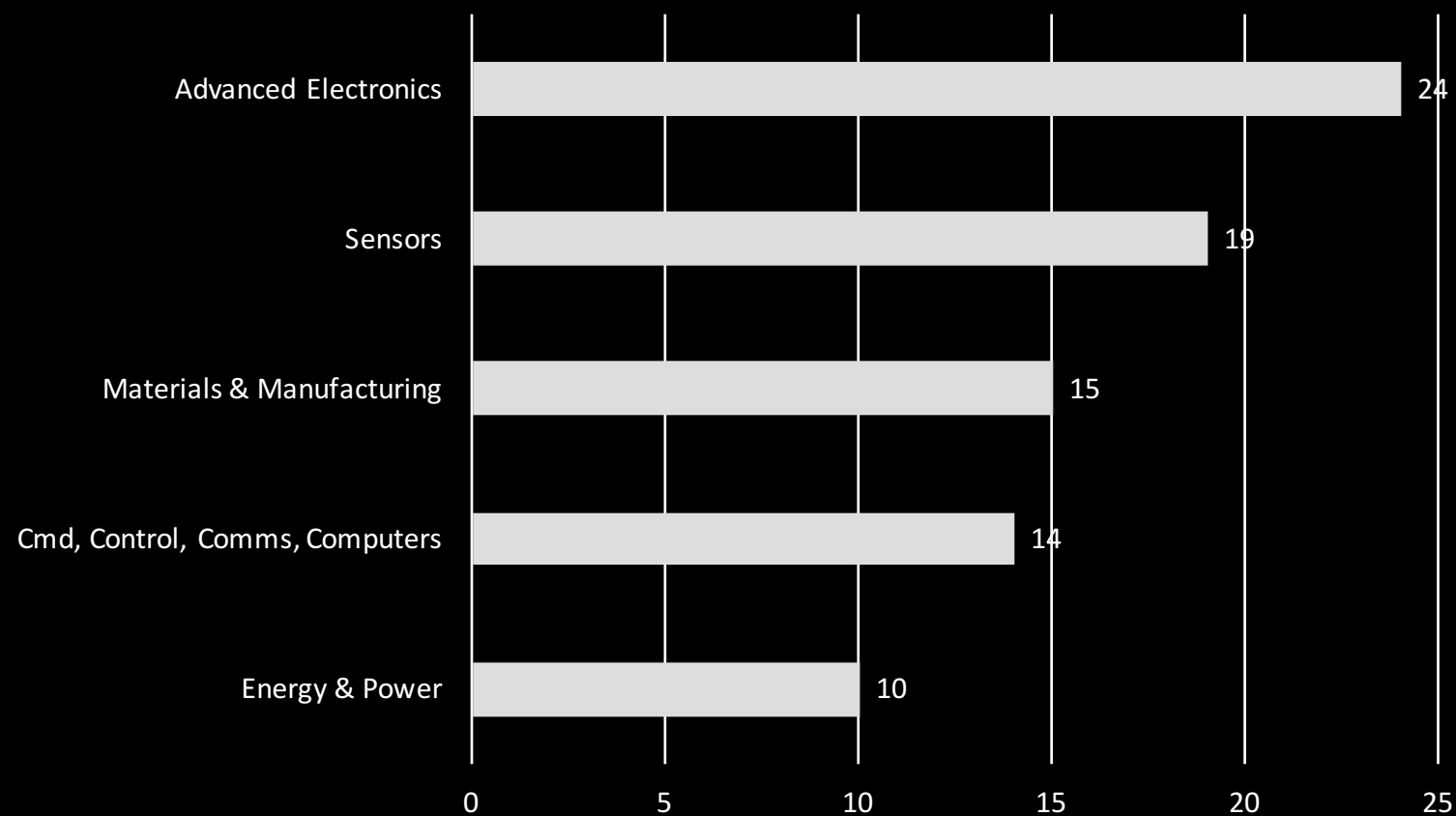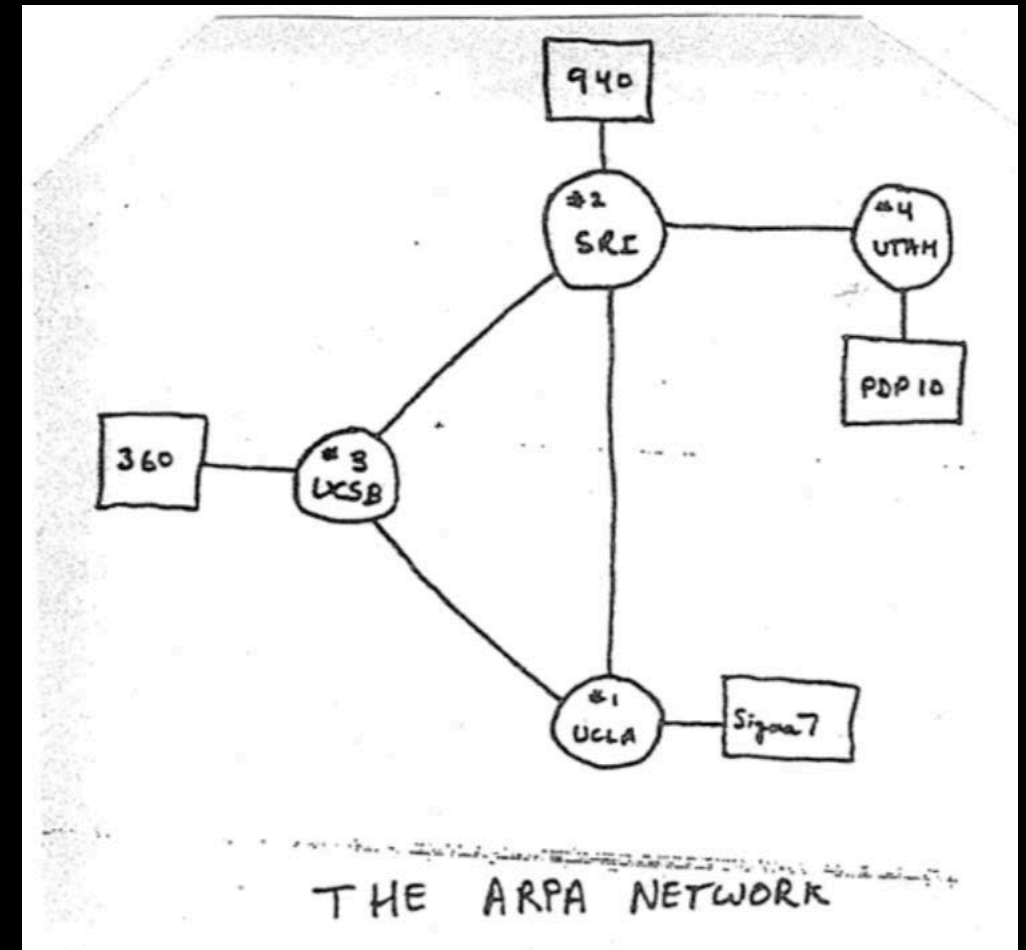
Tech Category	PRIMARY
Command, Control, Comms, Computers, and Intelligence (C4I)	12
Materials & Manufacturing Processes	11
Air Platforms	8
Sensors	6
Biomedical (ASBREM)	6
Space	5
Energy & Power Technologies	4
Advanced Electronics	3
Autonomy	3
Advanced Electronics	2
Counter WMD	2
Cyber	2
Electronic Warfare	2
Weapons Technologies	2
Counter IED	1
Engineering Resilient Systems	1
Ground & Sea Platforms	1
Human Systems	1

Bar chart:
- Advanced Electronics: 24
- Sensors: 19
- Materials & Manufacturing: 15
- Cmd, Control, Comms, Computers: 14
- Energy & Power: 10

(x-axis: 0, 5, 10, 15, 20, 25)

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BACK UP SLIDES

Where Do Key Innovations Come From?

Legend: Total Fortune 500, Universities, SBIR Firms

Y-axis: Number of Innovations Out Of Top 100 (0, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50)

X-axis: Year (1971, 1975, 1979, 1982, 1984, 1988, 1991, 1995, 1997, 2002, 2004, 2006)
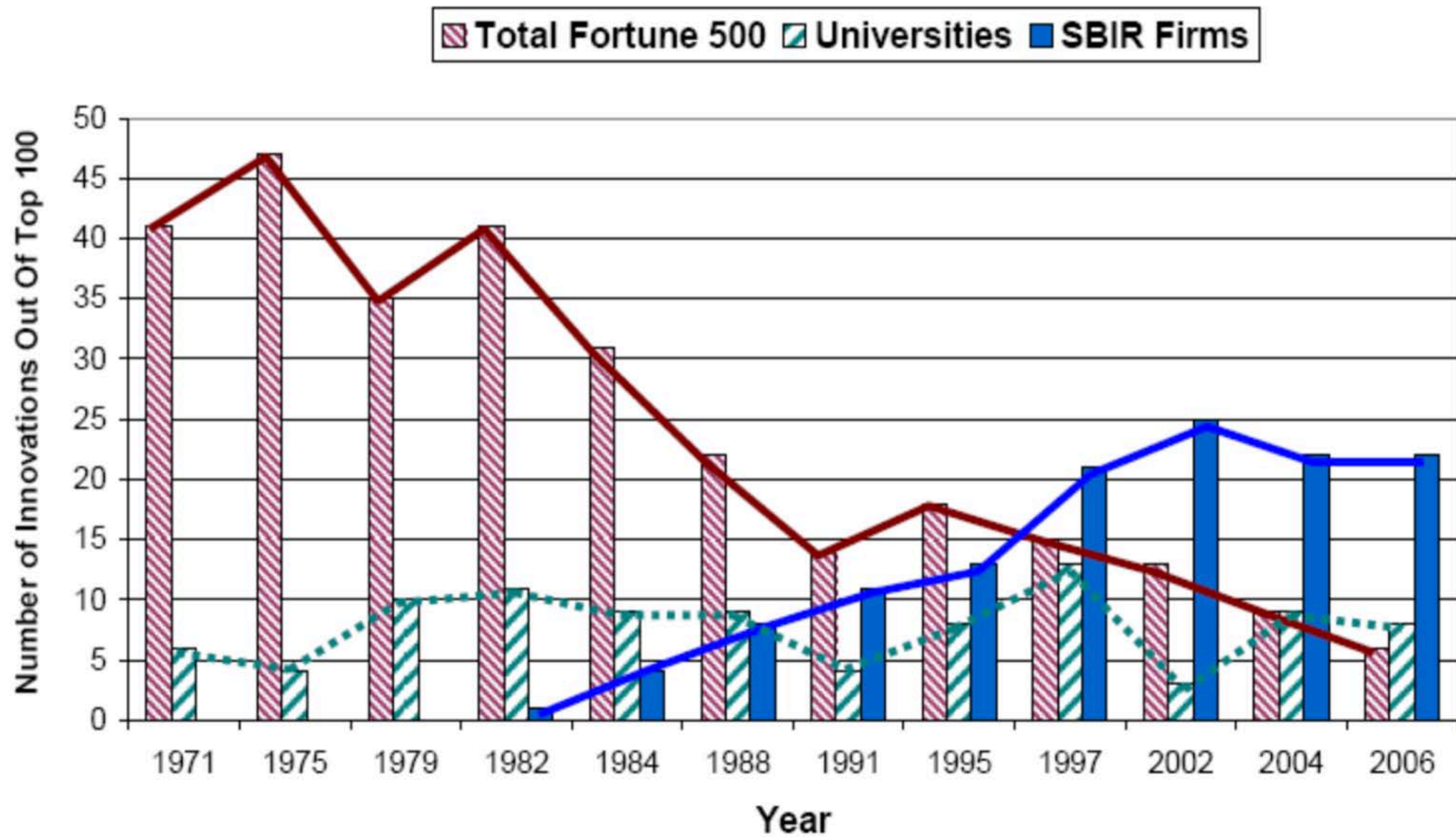
GOVERNMENT INVESTMENT IN INNOVATION IS CRITICAL

Federal R&D | Outlays as share of total federal budget, 1968–2015

R&D: Intensity (R&D/GDP), 1996–2013