



TRANSITIONS

SPRING EDITION · VOLUME 5 · ISSUE 2 · 2008



From the Director

'08 Navy OPPORTUNITY FORUM®

The eighth annual Navy *Opportunity Forum*®, to be held at the Hyatt Regency Crystal City from June 2-4, is quickly approaching and is expected to be the largest Forum to date. The past few months have seen a flurry of preparation for the event, not only for the Navy SBIR program staff and contractors, but also for the small businesses that will be showcasing the 201 technology opportunities on display. As a part of the Transition Assistance Program (TAP), these companies have worked for months to develop business plans, quad charts and presentations to efficiently highlight the essence of their advanced technology.

New for '08

In addition to the Navy-funded technologies expected at the Forum, this year's event will also include a NASA Showcase, highlighting 19 NASA-funded projects. The NASA companies, through an initial pilot program, have been through a similar process as the Navy TAP participants and will be just as prepared as Navy presenters for meeting with potential government/private partners.

Speakers

While the individual presentations and Navy/NASA funding technology opportunities in themselves would make for a worthwhile event, the Forum also provides speakers in cutting-edge areas of SBIR/STTR interest. Speakers this year include, among others, Under Secretary of Defense (AT&L) John J. Young, Jr., Acting Assistant Secretary of the Navy <Remove the "ASN"> (RD&A) John S. Thackrah, Chief of Naval Research RADM William E. Landay and NASA's Director of Innovative Partnerships Program Douglas A. Comstock.

Benefits of Attending the Forum

These three days in June are designed to provide an all-encompassing opportunity for acquisition officers, R&D managers, defense personnel, prime contractors, and

1st and 2nd tier suppliers to preview Navy-funded technologies that directly address current and/or future platform requirements and do so under one roof in a 72 hour period. The Forum benefits acquisition officers, contractors, and suppliers by giving them the opportunity to:

- » Review the status of funded R&D that is at various TRL's—offering several technologies that can address current technology requirements.
- » Initiate relationships with small businesses that have capabilities and technologies that supplement the use of IRAD funds.
- » Identify new defense and commercial sector investment opportunities in small businesses that understand investor risk parameters.
- » View technology developed by Navy Office of Research and Technology Application (ORTA) for the second year in a row.
- » Network with well-prepared businesses that have prepared capabilities brochures, quad charts, briefings, and plans to transition. For more information on individual technologies, see the Virtual Acquisition Showcase.
- » Take advantage of space provided for one-on-one, higher level conversations with company representatives.



More than 1300 people attended the '07 Forum, learning from speakers and networking.

Forum Keynotes



*The Hon. John Young, Jr.
Under Secretary of
Defense (AT&L)
Tues, June 3
12:20 – 2 p.m.*

*John S. Thackrah
Acting Asst. Secretary
of the Navy (RDA)
Mon., June 2
12:20 – 2 p.m.*

Virtual Acquisition Showcase

To make the event even more efficient for attendees, the Forum provides access to the Virtual Acquisition Showcase (VAS), prior to the event. The VAS, available online at www.virtualacquisitionshowcase.com, is a searchable database of all 201 Navy, NASA and Navy ORTA opportunities that will be showcased at the Forum.

Attendees can plan ahead of the event by searching for opportunities relevant to their needs. The VAS is searchable by technology applications, SYSCOM/Mission or by doing a quick search by keyword.

Registration

The invitation to attend the Forum is extended to those who utilize new technology in fulfilling Defense or NASA requirements and are looking to partner/invest in new technologies. Attendees may register for all three days, or just one or two as their calendar allows.

The event is free to registrants meeting the above qualifications, but space is limited. To register for the event visit www.navyopportunityforum.com or call (585) 617-9465.

Take advantage of all of the opportunities the Forum can provide and register today. After registering, be certain to read through the rest of this publication to learn about the launch of the new Phase III Transition Portal; tips on staying informed about the progress of SBIR Reauthorization; Prime Contractor thoughts on the benefits of attending the Forum; and in the Program Manager Corner, learn about Phase II policy changes being implemented by STTR PM Steve Sullivan.

See you at the Forum,

A handwritten signature in black ink that reads "John Williams".

John Williams
Director
Navy SBIR/STTR and T2 Programs

SBIR Tools


Phase III Transition Portal

The Launch of the Phase III Transition Portal- *Understanding Phase III just got a little easier*

The Navy TAP program is pleased to have launched a new, web-based tool for companies seeking to better understand the DoD acquisition process. The Phase III Transition Portal provides visitors with pertinent SBIR/STTR business information segmented into the four main topic areas listed below:

- » Acquisition
- » International Traffic and Arms Regulation (ITAR)
- » Resources and Government Reports
- » SBIR Data Rights

Sub-topics to the four main areas provide insight into such areas as: Technology Transition Agreements, resource sponsors, government acronyms, the Program Objective Memorandum (POM) process, Program Elements (PE), Programs of Record (PoR) and many other areas of interest to small businesses.



The Phase III Transition Portal is free
and available to the public online at:

www.dawnbreaker.com/phase3portal

'08 **NAVY**
OPPORTUNITY FORUM™

TRANSITIONING TECHNOLOGY TO THE FLEET
JUNE 2-4, 2008 // HYATT REGENCY // CRYSTAL CITY, VA

The Forum provides an effective way for acquisition officers, R&D managers, prime contractors, 1st and 2nd tier suppliers, and defense personnel to:

- >> Identify technologies that address current and future platform requirements.
- >> Review the status of funded R&D at various TRLs.
- >> Identify new investment opportunities.
- >> Network with well-prepared, savvy small businesses.

TO REGISTER, CALL MIKE MORGAN AT 585.617.9460
OR GO TO WWW.NAVYOPPORTUNITYFORUM.COM

SBIR

SBIR / STTR Points of Contact



See www.navysbir.com/pm-poc.htm for complete contact information.

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In the last issue of Transitions Newsletter, NAVSEA CPP Program manager Michelle Willis' e-mail was incorrectly listed. The correct e-mail address is: michelle.e.willis@navy.mil.

Steve Sullivan, STTR Program Manager

Under the watchful direction of program manager Steve Sullivan, the Navy Small Business Technology Transfer (STTR) program has undergone some policy changes in relation to the preparation and submission of Navy STTR Phase II proposals.

With 15 years of experience in the Navy, holding various positions within the Naval Research Laboratory, NSWC Indian Head Division, Program Executive Office of Aircraft Carriers and Assistant Secretary of the Navy and Director of Defense Research and Engineering, Sullivan has received several accolades for his work in design, manufacturing, test and evaluation and has led several Navy and Multi-Service working groups in building coalitions for change and cost saving. Since joining the Navy SBIR Program Office last year, Sullivan's focus is on improving small research firms' effectiveness in meeting Navy technology needs while making an effort to streamline and simplify the STTR process and increasing accountability for transitions.

STTR Program in Brief

The STTR program was established by Congress in 1992, and while it has a similar statutory purpose as the SBIR program, a key difference between the programs is that the STTR requires the small business to have a research partner from one of three areas: a University, a Federally Funded Research and Development Center (FFRDC) or a qualified non-profit research institution.

The STTR requirement of a small business to partner with academia is something even SBIR firms should consider. "Numerous small business owners and their employees hail from excellent universities and bring valuable knowledge capital. However, for a small business in the critical stages of development, principals juggle efforts and resources to meet all of the business needs as well as the R&D work," Sullivan explained. "Often, access to expertise, equipment and favorable labor expense can be secured through a partnership with one of these institutions."



ACR's SilverFox, an STTR funded project.

As with any partnership, it requires additional work and small business must negotiate a written agreement with the research institution. This agreement must be finalized and signed by both parties within 15 days of the small business' receipt of notification of a Phase I STTR award.

Within the STTR program, the small business is to act as a prime contractor, performing at least 40% of the work, while the research partner must perform at least 30% of the work. The remaining balance may be performed by either party and/or by a third party.

Three Phases of STTR

Solicitations for the Navy STTR program are issued once a year and contain "Technical Topics" that describe the areas in which the Navy and its SYSCOMS have a need and/or interest. Small businesses may then submit proposals targeted to one or more of the solicitation topics. Those companies with accepted proposals enter Phase I.

- » **Phase I:** The Phase I base period is 10 months, with a 7-month period of performance, and a base amount of no more than \$70,000. There is also the potential of a Phase I option, that is not to exceed \$30,000 and generally exercised in the 3-month contract balance for those companies selected for a Phase II. During Phase I, the small business is expected to perform a feasibility study to determine the scientific or technical merit of the proposed innovation. Approximately 1-in-5 Phase I proposals receive an award.
- » **Phase II:** Companies that reach Phase II do so by invitation only. If a company's Phase I efforts are successful and the need is still relevant to the Navy, the company may be invited to apply for Phase II funding. Phase II is quite competitive with an award ratio of 1.5 awards per topic. Phase II continues the Phase I efforts and demonstrates the theory of the innovation by the building and testing of a prototype—which involves a substantial R&D effort.
- » **Phase III:** This is the Phase that involves transitioning the technology into the Fleet or other government/commercial markets that are appropriate for the technology. Although no government STTR funds are involved, Phase III funding can come from government and/or private sources.

Policy Change for STTR Phase II

The Phase II technical proposal and cost proposal requirements have been amended for the N07 solicitation forward. These changes are an effort to increase accountability while leveraging transition potential. This will also streamline the requirements to achieve \$750K in Phase II funding (base plus first option), packaged with a value proposition of cost sharing in the second option to foster transition buy-in. The new format should be helpful:

» **Phase II** for STTR has a base period of 18 months with a base award of up to \$500,000. Companies are encouraged to submit up to 2 options:

- **The first option** should have a performance period of 9 months not to exceed \$250,000. A Technology Transition Plan (TTP), coordinated with the office transitioning the technology, is required prior to exercising the first option.
- **The second option** should have a performance plan of 18 months with an award not to exceed \$750,000. To exercise the second option, companies are required to secure 1:1 cost sharing from a non-SBIR/STTR funding source (i.e. \$375K non-SBIR/STTR and \$375K STTR funding) and a Technology Transition Agreement (TTA) from the program office transitioning the technology.

For the total effort, base and all options, companies must meet the STTR minimum requirements that 40% of the work be done by the small business and 30% by the research institution.

“A key goal of the STTR program is to improve the transition potential of technologies at the earliest stage possible. We currently have projects in development to do this by increasing the flow of information and further supplementing the acquisition knowledge stream. Small firms should look for programmatic additions in the next year. Status Quo is not an option for the Navy. In fact, we are always looking for ways to improve the program, so comments from small businesses are always welcome,” Sullivan said.

As for future STTR companies, Sullivan offers some sage advice.

Do your homework:

- » Do not partner with a research institution just to get STTR funding.
- » Create relationships with RIs aligned with your business/research model as early as possible.
- » Think strategically by looking for synergy in an RI partner (i.e. complimenting knowledge, equipment, and so forth).
- » Do not rule out partnerships with other small businesses and Primes when proper agreements are in place.
- » Marketing is key to success. Know the customer and network, network, network! This cannot be accomplished from the lab, so if necessary hire a marketing specialist to help meet the goals.
- » After making it to Phase II, take advantage of the Transition Assistance Program (TAP). There is no better way to get to know the customer and how to commercialize the technology.



For more information on the Navy STTR program, visit: www.navysbir.com

Reauthorization



Technology created by SBIR-funded firm, 21CSI

Stay Informed

The House of Representatives passed H.R. 5819 the SBIR/STTR Reauthorization Act on April 22, 2008. The bill was sent to the Senate, at the time of this printing there was no published timeline for the Senate’s review of the bill.

Issues of interest in H.R. 5819 include:

- » Set-asides remain at 2.5% for SBIR and .3% for STTR
- » Phase I Awards up to \$300,000 Phase II, Awards \$2.2 million
- » Funding increases for commercialization assistance
- » Allows for crossover between SBIR and STTR
- » Increase in federal agency flexibility to give larger awards, as well as consecutive Phase II awards
- » Allows firms to apply for Phase II awards without first receiving a Phase I
- » Increase in solicitations, at the discretion of the agency
- » SBIR advisory board establishment
- » New “FAST” program funded at \$10 million

Priorities and preferences in H.R. 5819 include:

- » Geographic regions experiencing loss of employment sources
- » Organizations contributing to energy efficiency
- » Veteran-owned companies
- » Transportation and infrastructure research activities
- » Energy related research topics
- » Rare disease-related research topics
- » Rural areas
- » FAST awards for SBDC applicants with accreditation for technology services

It is now the Senate’s turn to address the SBIR reauthorization. There is still time for small firms and SBIR supporters to make their views known. The Senate Small Business and Entrepreneurship Committee, chaired by Sen. John Kerry (D. – Mass.), is working on the issue. To stay informed, visit zyn.com/sbir/insider

Navy Opportunity Forum - The Prime Perspective

Prime Contractor representatives make up a large portion of the Navy *Opportunity Forum*[®] attendees. Several have attended the event for many years and have found it a valuable resource in their work. This year, on June 2 at 4:05 p.m. there will be a group of prime contractors involved in the SBIR program who will discuss the SBIR and Industry. Panel members include:

- ▶ **Frank L. Brandon**
Director of Advanced Technology
L-3 Communications Integrated Systems
- ▶ **Steve Ernst**
Manager of Partnered Technology
Lockheed Martin, Inc.
- ▶ **John Hudson**
Sr. Research Engineer
Northrop Grumman
- ▶ **Walter Wrigglesworth**
AMD SBIR Manager
Raytheon Missile Systems

These experienced professionals have attended the Forum on numerous occasions and agreed to offer their thoughts on the benefits of attending the Forum from the perspective of a Prime and their experiences of the event.

Q: *Mr. Hudson, does your company send more than one representative?*

A: Yes, typically representatives attend from different functional areas, including surface ships, aircraft carriers, submarines and power systems. We find that being able to talk to numerous SBIR companies and learning about the various technologies at one location a very effective use of our time.

Q: *Has your Forum attendance effectively assisted you in meeting the goals set out by Northrop Grumman?*

A: Yes, we have developed several good relationships with SBIR companies at the Forum. The most effective part of the event is the ability to talk to many SBIR companies and learn about various technologies at one location and to find if there might be a need or application for that technology on a Navy ship or submarine.

Q: *Mr. Brandon, what would you say about the event to a first time attendee?*

A: I would say that this event is an excellent opportunity for engineers to interact with creative entrepreneurial technologists and it has been historically successful for our company.

Q: *What about the Forum do you find most helpful to you in your work with L-3 Communications?*

A: This event is an excellent opportunity for prime contractors to meet small companies that have innovative perspectives on technology for a variety of applications. We have had several follow-up contacts directly as a result of the Forum.

Q: *Mr. Wrigglesworth, how has your attendance at the Forum helped you reach your goals?*

A: Our goals for working with small firms are to review up to 25 Phase I white papers, write up to 12 letters of support and to team with at least 6 small businesses each year. The Forum helps us reach those goals. I also find the speakers very informative in regards to the direction Defense business will be heading for the next year.

Q: *Has your participation with the Forum brought about any relationships between Raytheon and SBIR firms?*

A: Yes, certainly.

Q: *Mr. Ernst, as a regular attendee of the Forum, what has been your experience as it relates to meeting with the presenting firms and investigating potential technologies of interest to Lockheed Martin?*

A: I have had a number of one-on-one meetings with presenting firms, both formal and informal. This is an invaluable opportunity. I also find that walking the exhibit area is always interesting and it provides an opportunity to interact. I like the format of the presentations provided by the small businesses. They cover the key relevant points in a quick, concise manner. Overall, the event is well-structured with a high rate of information flow.

Q: *How does Lockheed Martin make the best use of the Navy Opportunity Forum?*

A: Lockheed Martin usually has representation from across the corporation at the Forum, with many lines of business sending multiple representatives. The event provides us with an opportunity to gain insight into the technical challenges being addressed by the Navy and potential solutions. Even if the particular SBIR activity is not a direct match, a derivative activity may be pursued that is a more direct match. It is a good way to efficiently take a look at a large number of developing technologies.

For full bios on each of the panelists visit www.navy-opportunityforum.com.

For more information on the 201 technology opportunities that will be on display, visit www.virtualacquisition-showcase.com. Researching the opportunities ahead of the Forum will assist in providing attendees with the maximum attendance value.

Registrants of the Forum can schedule one-on-one meetings with presenting firms once their registration has been confirmed. For questions or to register for the event, visit www.navyopportunityforum.com.

Mark Your Calendar

SBIR EVENT SCHEDULE

WHEN	WHAT	WHERE
May 27 - 30, 2008	National SBIR Spring 2008 Conference <i>Contact: Lewis Attardo - lewis.attardo@floridaSBDC.org</i>	Orlando, FL
Nov 12 - 14, 2008	National SBIR Fall 2008 Conference <i>Contact: Merrie London - mlondon@ccat.us</i>	Hartford, CT



SBIR/STTR Solicitation Schedule

DOD SOLICITATION	SBIR 08.2	SBIR 08.3 & STTR 08.B	SBIR 09.1
Topic Submission & IRT Letters sent to Components	Jan 22 - 24, 2008	Apr 28 - 30, 2008	Aug 11 - 13, 2008
DDR&E 1st Review (SBIR=20days STTR=15 days)	Jan 25 - Feb 24	May 1 - 29	Aug 13 - Sep 11
Components Response (SBIR=10days STTR=7days)	Feb 25 - Mar 7	May 30 - Jun 12	Sep 12 - 23
DDR&E 2nd Review (SBIR=14 days STTR=10 days)	Mar 10 - 27	Jun 13 - Jul 2	Sep 25 - Oct 16
IRT (3days)	Mar 28 - Apr 1	July 3 - 8	Oct 17 - 21
Components Renumber Topics (2 days)**	Apr 2 - 3	July 9 - 10	Oct 22 - 23
Solicitation Pre-Release & FEDBIZOPPS Announcement Posted	21-Apr-08	28-Jul-08	12-Nov-08
Solicitation Opens	19-May-08	25-Aug-08	8-Dec-08
Solicitation Closes	18-Jun-08	24-Sep-08	14-Jan-09

► **NEW:** STTR 08.B solicitation to run concurrently with SBIR 08.3 sol.

**One day to create and format final solicitation files after renumbering and before security review

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NEW THIS YEAR **NASA SHOWCASE**

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