



# SBIR Commercialization Pilot Program (CPP)

**PRESENTED BY:**  
**Ms Kimberly Berche**  
**SBIR Deputy Program Manager**  
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# Navy CPP Vision

*The Navy CPP initiative will accelerate the transition of SBIR projects into high priority Navy systems by providing needed assistance to SBIR firms and to key technology transition stream participants.*





# Commercialization Pilot Program

## *Sec. 252 (a)(y)(1) Summary*

“(y) COMMERCIALIZATION PILOT PROGRAM -  
(1) In General.- The SecDef and the Secretary of each military department is **authorized to create and administer a ‘Commercialization Pilot Program’** to accelerate the transition of technologies, products, and services developed under SBIR to Phase III, including the acquisition process.”





# Importance of Sec. 252

- All four provisions amend original SBIR law, 15 USC 638 and emphasize the defense commercialization goal.
- Authorizes **SECDEF** and **SECNAV** to create CPP and identify SBIR research programs that have potential for rapid transition and meet high priority requirement.
- Allows use of 1% of SBIR funds for CPP administration.
- Ties into SBIR law Executive Order 13329, which encourages manufacturing innovation.
- Allows for T&E (Test & Evaluation) work in Phase II and III.





# Commercialization Pilot Program

## Sec. 252 Limitation

No research program may be identified unless the Secretary of a military department concerned certifies in writing that the successful transition of the program to Phase III and into the acquisition process is expected to meet high priority military requirements of such military department.

- 1% (CPP) set-aside cannot be put on SBIR contracts.
- SBIR funds can be placed on Phase II enhancements “CPP Projects” to accelerate transition.





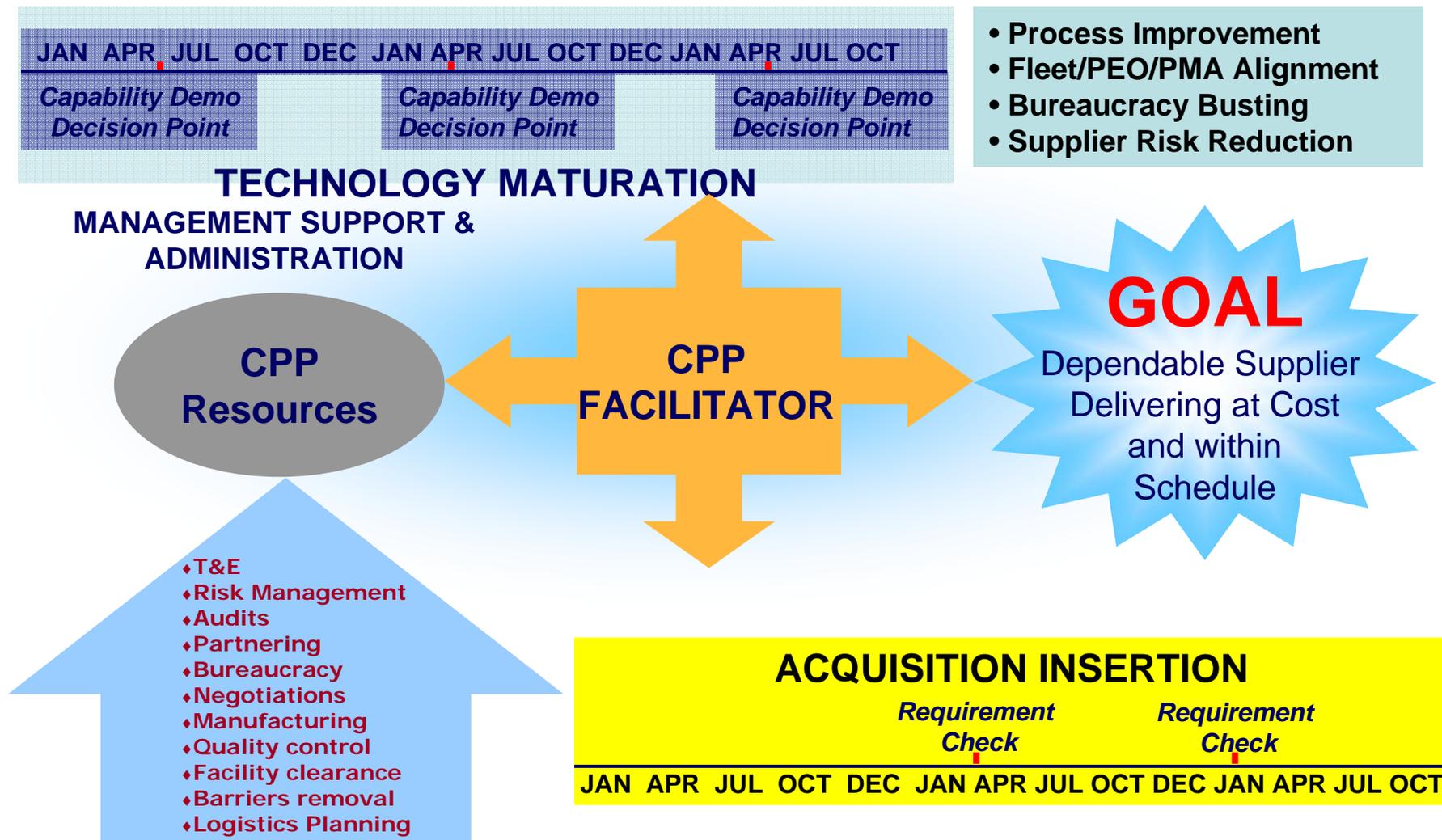
# NAVAIR CPP Approach

- Improve CPP pipeline by implementing improvements in the topic development process and strengthening PEO/PMA/Prime involvement.
- Better coordination between PMA Acquisition Plans, the Requirements community, and linkage to SBIR technology Maturation.
- Bureaucracy busting and process improvement through proactive action throughout the NAVAIR SBIR process.
- Supplier Risk Identification & Risk Mitigation Assistance to CPP Phase II projects with potential for rapid transition.





# NAVAIR SBIR Rapid Transitions Facilitation through Teaming





# NAVAIR CPP Process Improvement Focus

- **Improve SBIR Topic Alignment with Program Of Record, NAE S&T Strategic Goals and Warfighter Requirements**
  - Topic Generation Workshops
  - Increased PMA and PEO involvement in topic generation process
  - Allot 90% of topics to PEO/PMA Requirements
  - Allot 10% of topics to NAE S&T Initiatives and Priorities
  - Assign/ID PEO Technology Transition Mangers
  - Assign/ID PMA SBIR Representatives
  
- **Improve SBIR Phase III Technology Transitions**
  - Continue to improve and formalize CPP processes and strengthen PMA and PEO involvement
  - Incentivize PMA utilization of SBIR technologies through shared investment and risk reduction
    - Increase Phase II Enhancement match to facilitate continued development and technology maturity
    - Initiate Phase 2.5 SBIR investment with firm PMA and PEO Transition Commitment
  - Initiate periodic SBIR Technology Portfolio updates and status reporting to endorsing PMAs to improve PMA awareness of technologies in their SBIR development pipeline





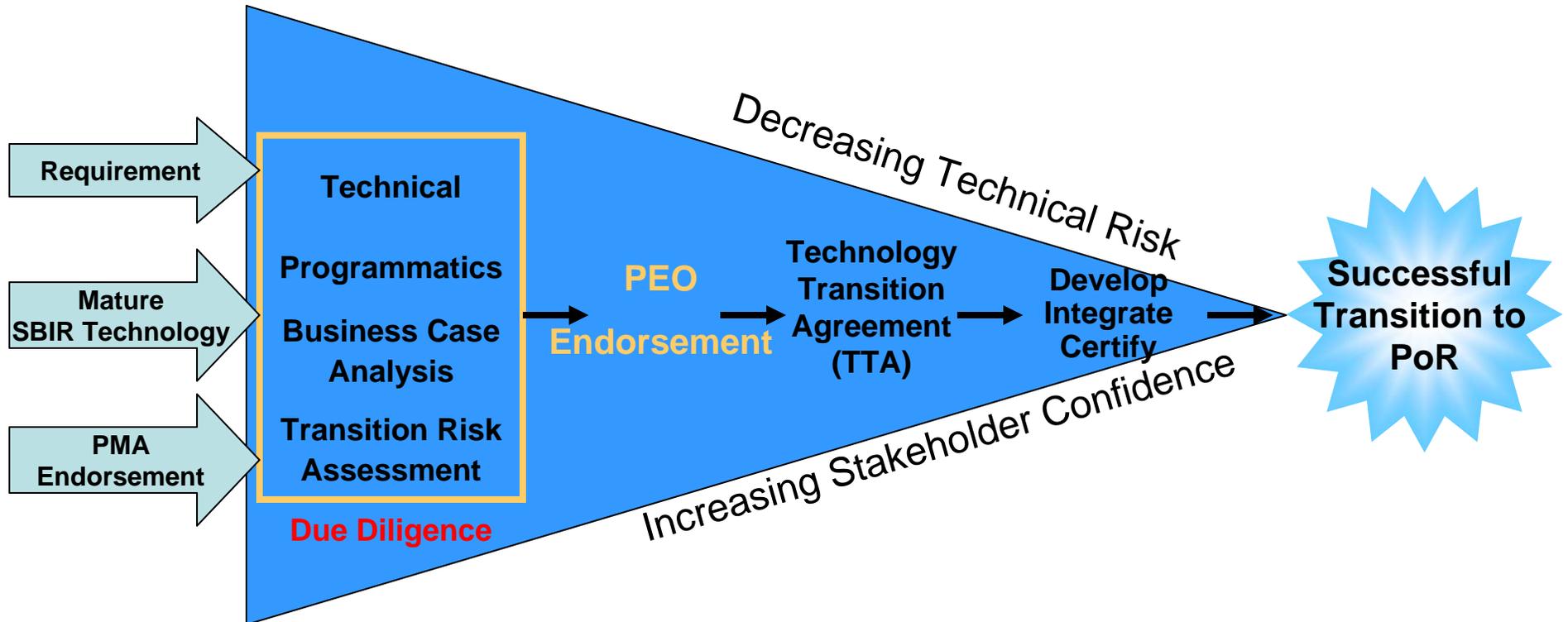
# Future Direction for NAVAIR Topics

- All topics should be aligned with a high priority Naval Aviation Enterprise (NAE) requirement (Life Cycle Cost reduction, Affordability, and specific platform requirements are some examples)
- Allocation of topics – 90% to PEOs based on their assessments and 10% to NAE to address enterprise-wide topics
- Each topic should be tied to an approved technology roadmap that indicates the planned point of technology insertion
- PEO/PMA SBIR technology managers are primarily responsible for coordinating with topic authors, the NAVAIR SBIR PM's office, T-Codes and the TPOC to ensure topics are well written, address high priority needs, and are properly timed to meet acquisition milestones for transition



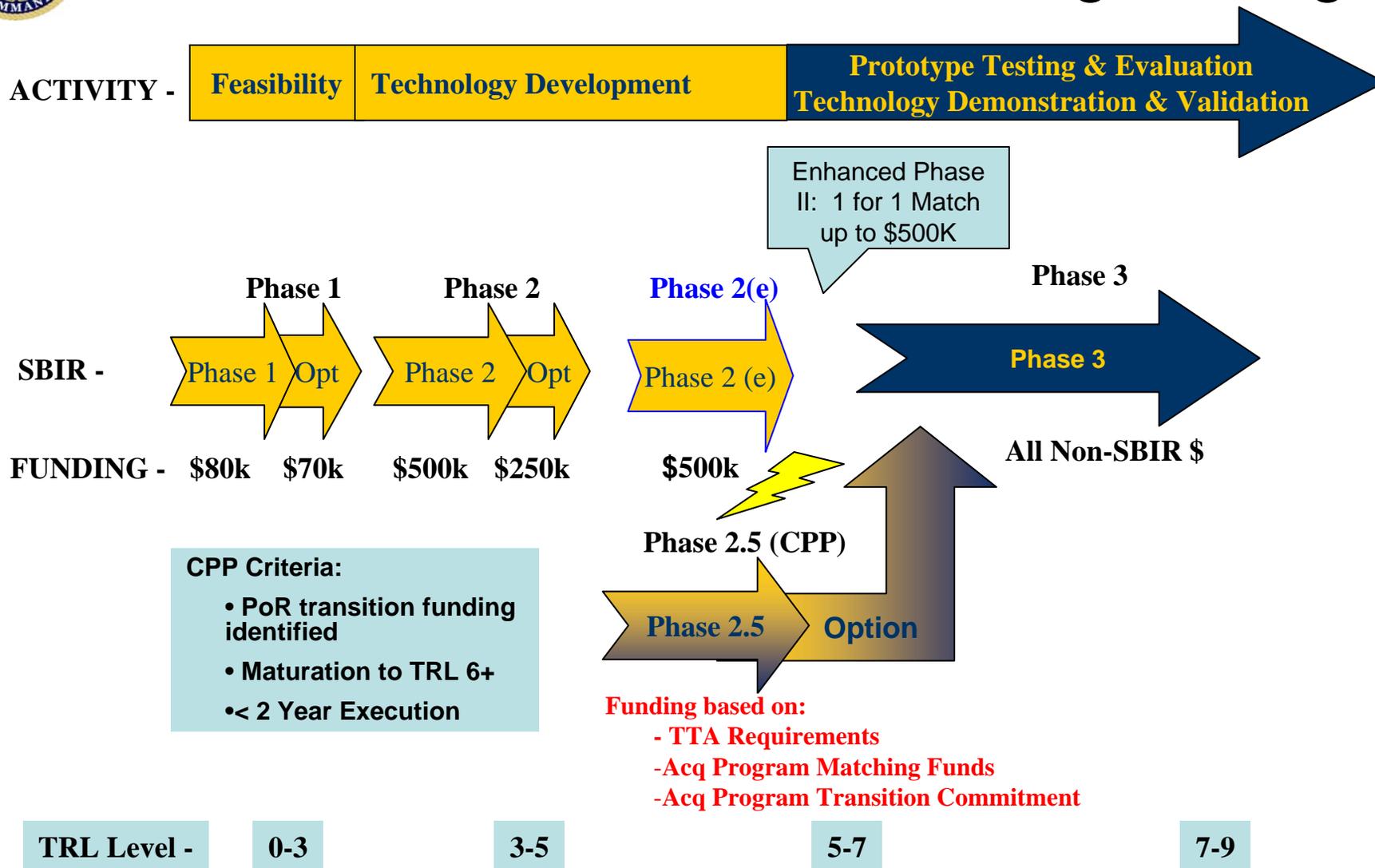


# NAVAIR CPP Transition Process Overview





# NAVAIR SBIR Transition Funding Strategies





# NAVAIR CPP Summary

CPP focus :

- Increasing SBIR Technology Transition to the Warfighter
- Implementing Process Improvements throughout the entire SBIR process
- Reducing Transition Risk to the Acquisition Programs through shared investment in technology maturation and risk reduction





# Fundamental SBIR Management Challenge

Transition success hinges upon strategic technology investment focus and roadmapping towards future capability needs

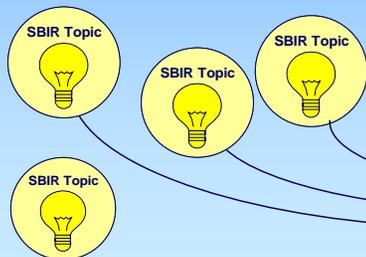
## “Digging to the Future”

*Today's  
Technology Ideas &  
Investments*

*Future  
Combat Capability  
Needs*

*Will The “Tunnels”  
Meet?*

Sea Power 21  
Navy & Marine Corps After Next



*SBIR “Pipeline”*

Technology Investment  
Focus

Transition  
Success

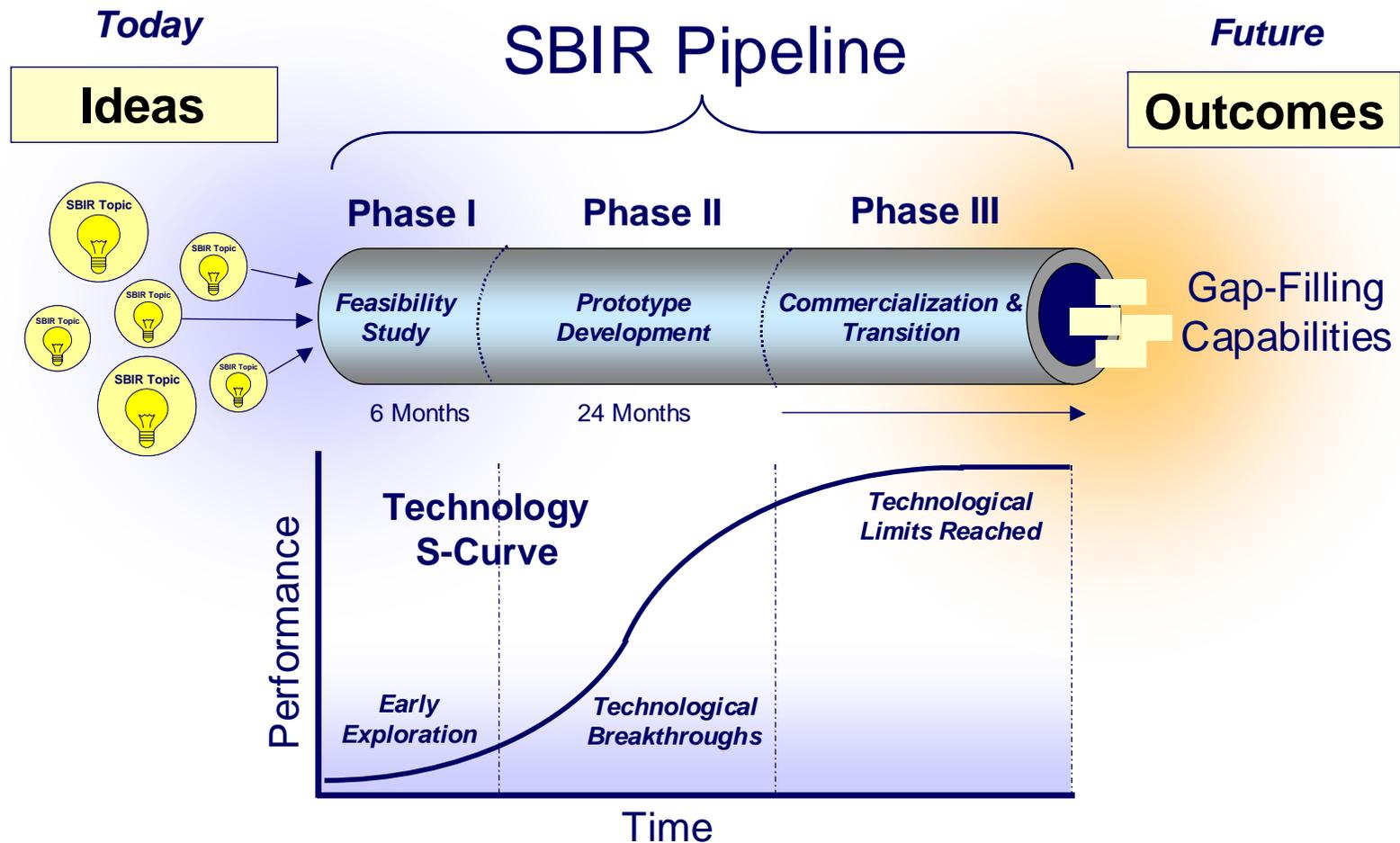
Approaching  
Future Needs





# SBIR "Pipeline"

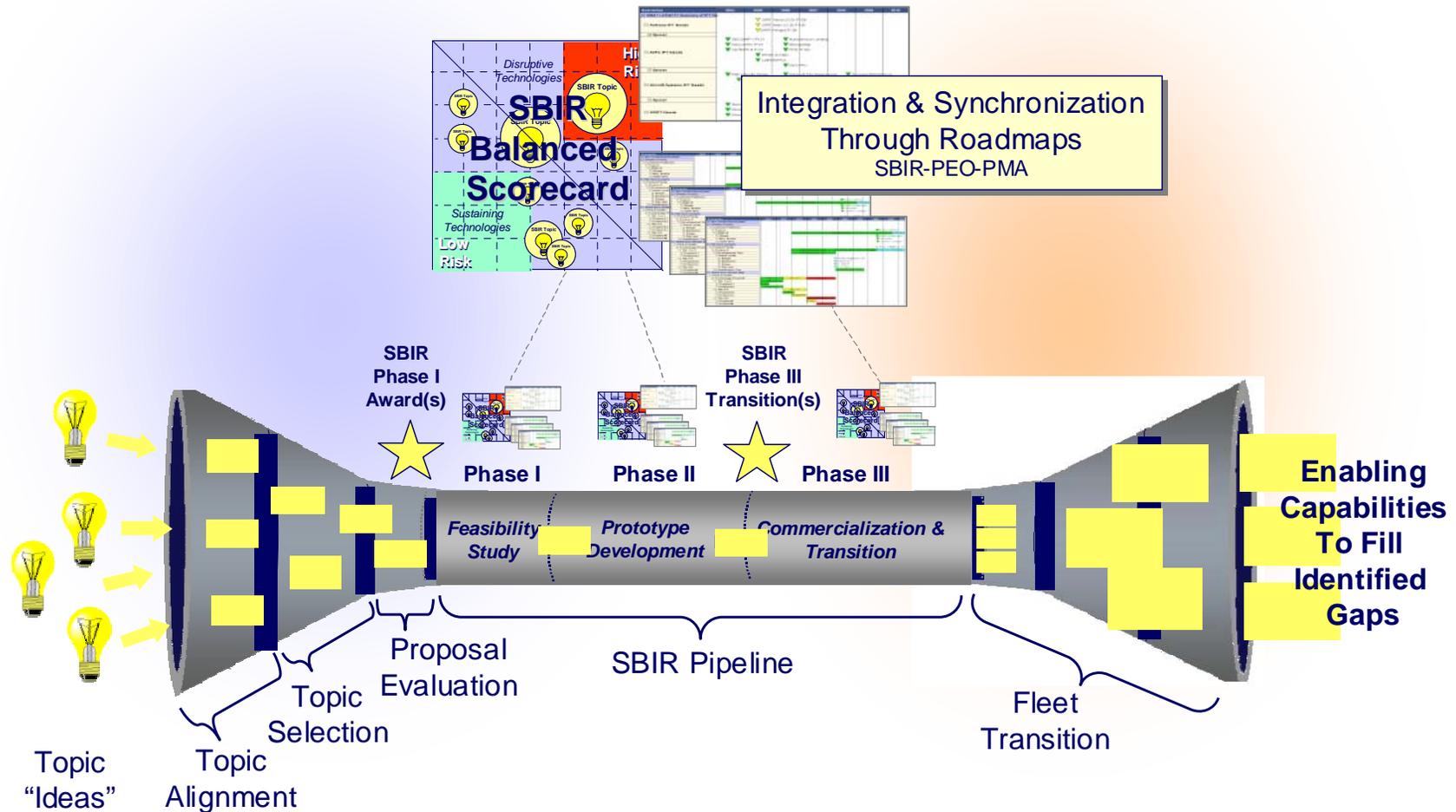
Assured Transition from "Innovative Ideas" to "High Impact Outcomes" requires early focus and alignment towards "filling defined future capability gaps"





# Strategic Alignment & Synchronization

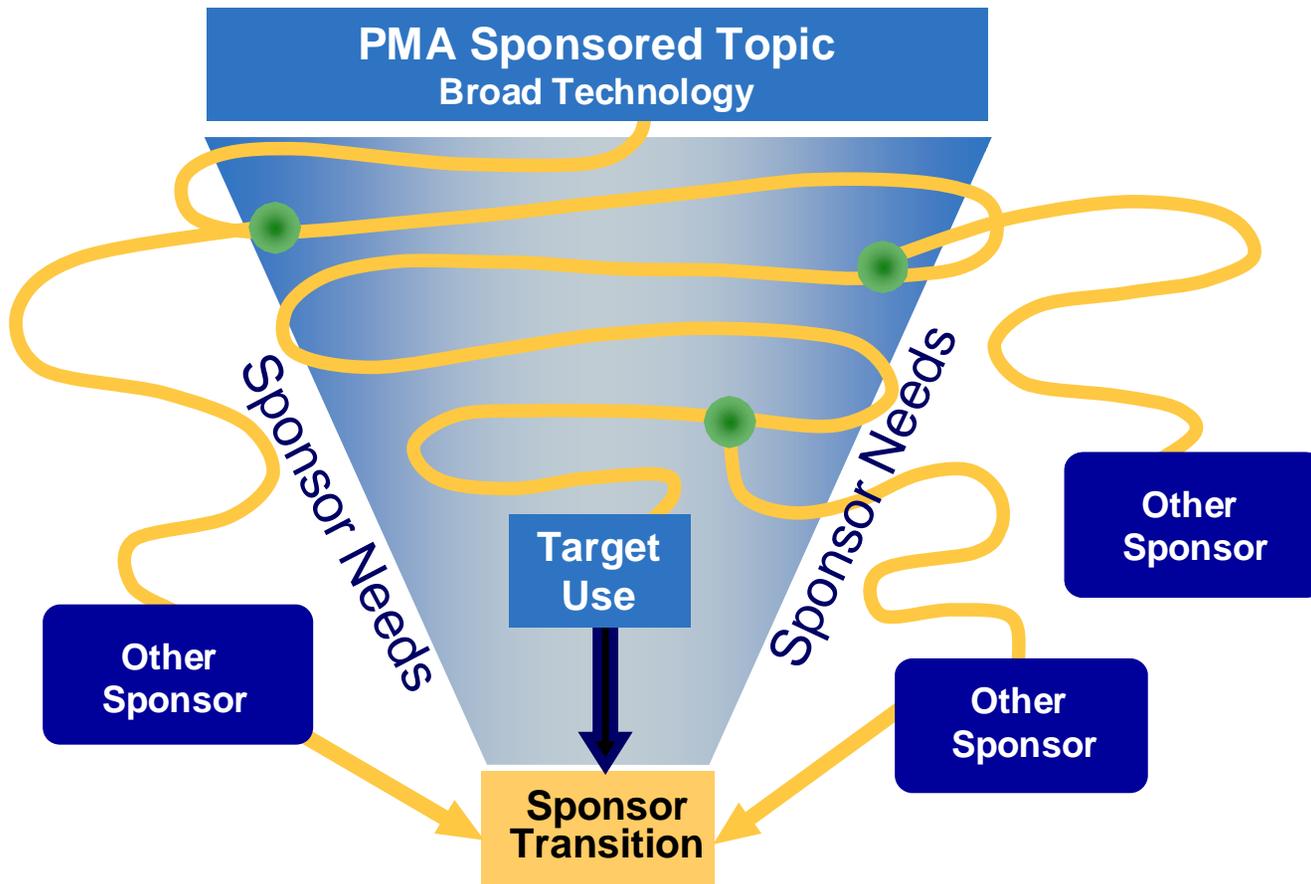
The PEOs and PMAs play critical roles throughout the SBIR process enabling integration and synchronization of technology investments with future capability and product-line roadmaps





# Unpredictability of Technology Development

The road to transition will not be straight





# FY-07 NAVAIR CPP Selection Process

## Step (2)

**Quad charts reviewed by TPOC & Mapped to PMA's.**

### Topic transition assessment.

- TPOC's coordinate PMA topic review and transition assessment.
- Topic Transition Assessment: (one of five categories selected by PMA)
  - Support
  - Endorse
  - Interest
  - Pass
  - Concern
- **PMA Topic Ranking**
  - Level of matching non-SBIR funds (if known)
  - Endorsed Topics priority ranked

## Step (3)

**PMA**  
Endorsed / Ranked Topics Briefed to PEO's (if Req)

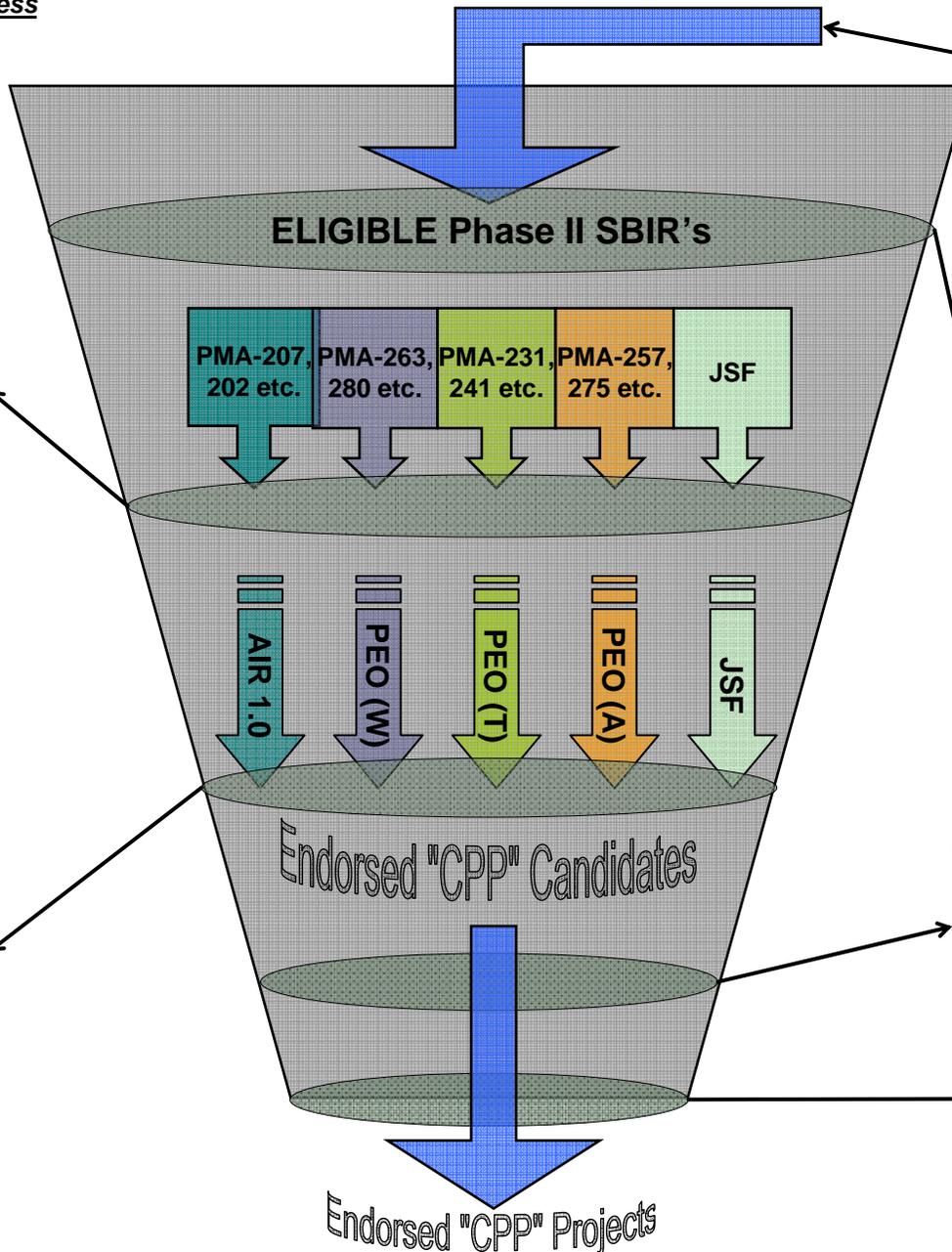
**PEO's**  
Select / Prioritized /Endorse CPP Projects

- Requirements**
- PM funding
  - PMA Endorsement
  - Transition to POR

Phase II's

## Step (1)

- SBIR Portfolio Review**
- All (2<sup>nd</sup> yr) Phase II Topics mapped to TPOC's & PMA's.
  - All Phase II (enhancements)
  - SAT Companies not recommended for SAT 06 funding but flagged "of interest"
  - ATRB SBIR Endorsed Topics
- SBIR firms**
- Prepare Quad Charts



## Step (4)

- PEO/SBIR PM Final Selection**
- Budget constraints
  - ✓NAE Requirements prioritization
  - ✓Multi Platform applicability

## Step (5)

**Deal Due Diligence**





## FY 07 CPP Candidate Selections

- Conducted a SBIR Phase II portfolio Review involving TPOCs, PMAs and PEOs
  - 138 active topics
  - Deployed a web-based evaluation tool
- 112 Topics received TPOC and/or PMA Transition Evaluation (26 Companies declined to provide Quad Chart for evaluation)
  - TPOCs: technical evaluation
  - PMAs : Program Evaluation, Endorsement and Ranking
- PEO CPP Selection Board held to select “PEO Endorsed” CPP Candidates
- 24 topics endorsed by PEOs as CPP Candidates





## PEO CPP Candidate Selection

### Requirements and criteria:

- Identification of Program Of Record (or fielded system)
  - Increased performance
  - Added capability within requirements
  - Reduced cost
  - Improved Safety
  - Other benefits to NAE
- Program Of Record transition path/ funding identified.
- TRL maturation to 6+ within two years
- < 2 year Execution





# FY 06 CPP Major Accomplishments

- Program Initiation and Standup
- 20 CPP Candidate Companies Identified and Submitted to Navy SBIR Program Director
- 17 Risk Assessments Completed
- 6 Manufacturing Site Visits and Assessments Completed
- 7 TTAs Completed
  - 6 Signed with Contract Award in Progress
  - 1 Pending Program Trade Study Results
- Developed Web-based Selection Process Tools

