



# Air Force AFWERX SBIR

*The best way for a start-up to work with the  
US Air Force*





# BLUF: How to work with us?



Have a idea?

## 20.A-T001 STTR 'Open Topic'

**Application:** 15 Slides, 5 Page White Paper

**Award:** \$50,000, 3 months

**Notes:** Must partner with University or non-profit entrepreneurship center



Have a product?

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Ready to test w/  
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Jan 14th - Applications Open  
**Feb 12th - Applications Close**  
Mar 12th\* - Contract Start Date

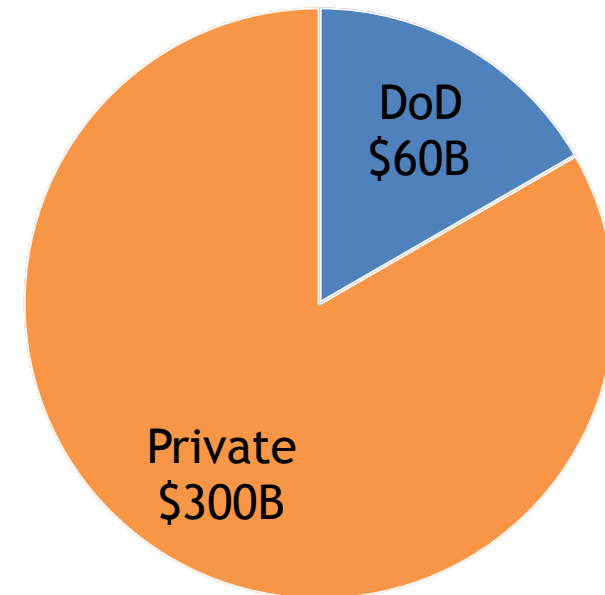
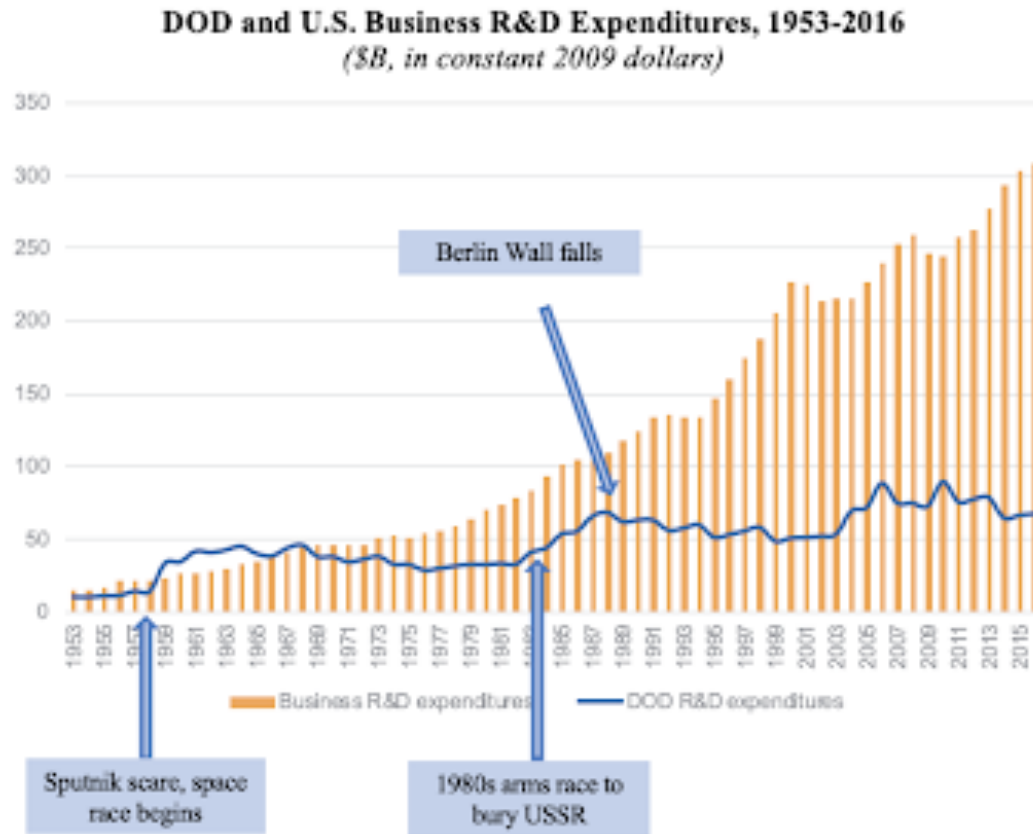
Learn more here:

<https://www.afwerx.af.mil/sbir.html>

**15 Slides + 5 Pages, due by 12 February**



# DoD vs Private R&D Funding



2016 R&D Funding

Source: National Science Foundation, National Patterns of R&D Resources: 2015-2016 Data  
Update; Office of Management and Budget, Historical Data, Table 9.7.

General Catalyst | Proprietary and Confidential

**DoD no longer the majority source of private R&D funding**



# A bit of History

Before World War II, America built its weapons of war through a **federally controlled arsenal and shipyard system**.

During the war, an aggressive revision to defense industrial policy was devised to **rely on the nation's huge commercial product suppliers, like Ford and IBM**, to build the high volume of military systems required.

This led to the first U.S. defense industrial pivot to an **established corps of commercial-defense conglomerates** that thrived long after the Second World War.

Alongside this shift to a targeted defense industrial sector dominantly concentrated on the global military markets,

**commercial innovation has once again transformed the world.**

But Cold War downsizing and global commercial manufacturing competition drove the second pivot, when **America's commercial brands sold off their defense businesses**, yielding a more limited range of private sector weapons system platform producers with near exclusive activity and expertise in the defense market.

**Need to leverage private R&D to deliver capabilities**



# Top Level Direction



Maintaining the Department's technological advantage will require **changes** to industry culture, investment sources, and protection across the **National Security Innovation Base**.

US Department of Defense (2018). 2018 National Defense Strategy of the United States Summary, 11. Retrieved from



## Develop the National Security Innovation Base

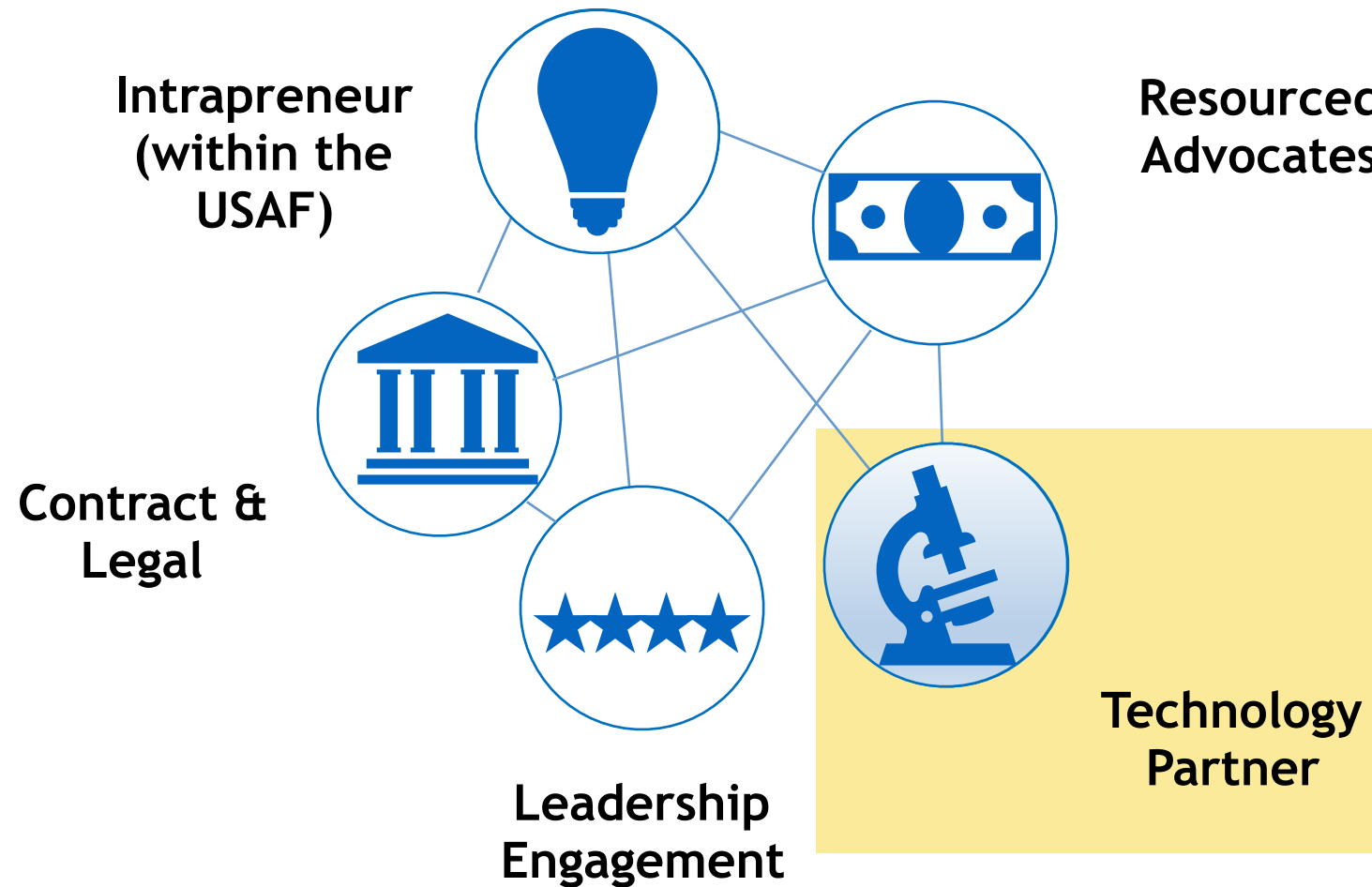
## AFWERX Mission:

Create a fusion of capabilities that **connects innovators** and **accelerates results** for Air Force culture and technology.





# Innovation = People Solving Problems



**Develop the National Security Innovation Base**





# Fastest way to work with the USAF



Three phase program that awards \$700+ Million per year to small businesses to develop innovative new solutions to meet air force needs.

<https://afwerx.af.mil/sbir.html>

Phase 1 = <\$50K, 3 months

15 page slide deck, 5 page white paper, submit online  
applications due in February, June, October

(must be have non-defense commercial solution that can be adapted to defense needs)

Phase 2 = <\$1.5M, 24 months

Match DoD funding 2:1, Private Investment 1:1

(must have USAF end-user willing to trial your solutions within the USAF)

Phase 3 = 'Sole-source' contracts (No \$ limit)

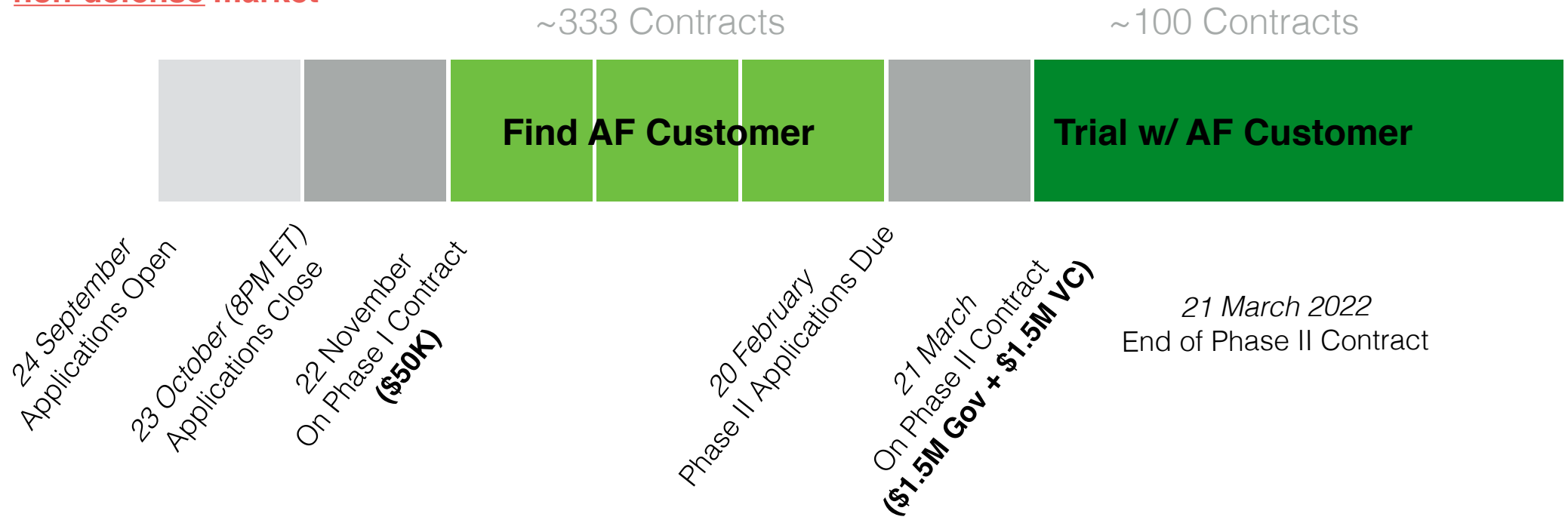
**Stages from first contact to program of record**





# Example AFWERX SBIR Timeline

**\*Must have  
non-defense market**



**Application to award in ~30 days**



# Defense Innovation **\*At Scale\***

**Fastest** and most simplest way to get **on contract with the DoD**.

Every year\*:

Phase I: 1000 \$50K contracts

Phase II: 100s \$1M contracts

On contract in **<30 days**

3 Rounds per year (February, June, October)

\*Must have **non-defense** commercial sales

\*\* May require partnering with US small business for international start-ups

**Many small bets, scale the best**



# Security and Prosperity

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TECH

## Oculus founder Palmer Luckey scores \$1 billion-plus valuation for his virtual border wall start-up

PUBLISHED WED, SEP 11 2019 - 12:08 PM EDT

 **Salvador Rodriguez**  
@SAL19

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**KEY POINTS**

- Anduril has secured a funding round with participation from Andreessen Horowitz that values the defense company at more than \$1 billion.
- Luckey started Anduril after being fired from Facebook in 2017 amid controversy surrounding his political contributions and financial support of far-right groups and internet trolls.
- Anduril describes itself as a company that "invents and builds technology to secure America and its interests."

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# Pitch Days

## Phase I Pitch Day (~\$50K)

6-7 March, 2019  
New York City, NY



Award and Pay  
Same Day

## Phase II Pitch Days (~\$1M)

5-6 November, 2019  
San Francisco, CA



Elon Musk

New way of working with the USAF



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