



The Big Lie

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Narratives that Multiple Award Winners (MAWs) only use SBIR to fund their research and do not commercialize SBIR technology are false

The GAO report on multiple award winners shows that that **DOD sales and investments are higher for MAWs than others**, indicating that MAWs do a better job of providing technology that the DOD needs. The report also claims that, on the whole, MAWs generate \$0.89 in follow-on sales and investment for every SBIR Phase II dollar invested. While this is a far greater ROI than any other R&D program in the government, it still understates MAWs' commercial returns.

Many Phase III contracts are not recorded or labelled as such, and therefore available commercialization data undercounts the true level of commercialization. For example:

- The SBA data used in the GAO Study does not include commercialization after MAWs exit the program. In the past 5 years, identified government Phase IIIs awarded to an MAW after SBIR exit totals **\$750 million**.
- GAO study does not include the acquisition value of MAWs that were acquired, which totals well over **\$1 billion**.

Acquisitions of MAWs and other SBIR winning firms represent a major hole in the commercialization data. Acquisitions are major capital investments that are not captured anywhere in SBIR/STTR commercialization data. And since the value of most acquisitions are not publicly released, the total amount is heavily understated.

Companies with at least \$65 million in SBIR funding collectively received over \$3 billion of Phase III identified government follow-on contracts in the past 10 years, and another \$4.4 billion of non-SBIR government contracts and subcontracts.

The PW Communication reports used only on Phase III identified government contracts to calculate MAW commercialization (\$.70 return on SBIR investment). But the PWC report also documented MAWs sales of other government contracts at \$2.4 billion (\$1.1 return on SBIR investment) and DOD subcontracts at \$2.0 billion (\$0.9 Return on SBIR investment). Had PWC included the total commercialization of MAWs it would have been \$2.60 for every dollar invested in the SBIR program.

Three years ago the SBIR reauthorization Act doubled the commercialization benchmarks that multiple award winners had to meet. GAO found that all but four of the companies targeted met those benchmarks. It is likely that these four companies were acquired and stopped reporting commercialization.



If the Innovate Act become law, it would impact billions of dollars of future DOD innovation contracts and subcontracts that multiple award winner would not be receiving.