



ARMY FUZE

# SBIR|STTR

FY25  
PERFORMANCE  
REPORT

## **U.S. ARMY FUZE** **SMALL BUSINESS** **INNOVATION RESEARCH** **AND SMALL BUSINESS** **TECHNOLOGY TRANSFER** **(SBIR|STTR) PROGRAM**

The 75th Ranger Regiment utilized an Army SBIR-funded solution to vet Soldiers for its Ranger Assessment and Selection Program.  
*Photo courtesy of U.S. Army*



U.S. ARMY



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## LETTER FROM THE DIRECTOR

**Dear Colleagues and Stakeholders,**

It is with great pleasure and pride that we present the U.S. Army FUZE SBIR|STTR Fiscal Year (FY) 2025 Performance Report. Throughout the year, our program has showcased the power of innovation by connecting small businesses with the Army to enhance the capabilities of our Soldiers and bolster our national defense.

Our program's accomplishments are a testament to our commitment to accelerating the development and deployment of cutting-edge technologies. With the invaluable support of Congress and the dedicated participation of venture capitalists, private equity firms, start-ups, defense leadership, acquisition officials, and small businesses, we have achieved significant milestones.

**In FY25, the Army invested \$414 million across 481 new-start SBIR|STTR projects**, primarily focusing on areas of critical importance such as Artificial Intelligence and Machine Learning (AI/ML), Energy Resiliency, Immersives and Wearables (I&W), Sensors, and Contested Logistics and Sustainment (CL&S). The launch of Army FUZE has been instrumental in establishing a venture capital (VC) mindset within our organization, supported robustly by the Secretary of the Army. We have also strengthened our alignment with the Army's Pathway for Innovation and Technology (PIT), ensuring that we seamlessly integrate our efforts with broader Army acquisition reform and modernization initiatives.

**"We will continue to strengthen collaboration** across acquisition, operational, and S&T communities, **while expanding engagement"**

Looking ahead to FY26, our priorities center on deeper integration of Army SBIR|STTR within the FUZE strategy and stronger alignment with the PIT. Working closely with Portfolio Acquisition Executives (PAEs), we will provide small businesses with clearer demand signals, improve predictability for industry, and reduce risk for investors – accelerating technology maturation and increasing the likelihood of successful commercialization.

Partnerships will remain core to our mission. We will continue to strengthen collaboration across acquisition, operational, and Science and Technology (S&T) communities, while expanding engagement with VC firms, accelerators, and other investors committed to dual-use innovation. Early coordination and transparent Army needs will help small businesses scale faster and build a more resilient industrial base.

As FUZE grows, Army SBIR|STTR will continue to serve as the Army's trusted engine for identifying breakthrough ideas, taking informed early-stage risks, and transitioning technologies that deliver meaningful capability to our Soldiers.

We extend our sincerest gratitude to Congress for their unwavering support, which has been instrumental in enabling our success. Additionally, we thank Army leadership, small businesses, industry partners, and all our stakeholders for their collaboration and dedication.

Together, we are driving the Army towards a future-ready posture, where innovation and modernization are paramount.

Respectfully,

**Dr. Matt Willis**  
Director, Army FUZE

## FY25 IMPACT SNAPSHOT

**Awarded \$414m in new start contracts to 359 small businesses,**

expanding access to funding and transition pathways.

**Increased Direct to Phase II awards by 35%,**

fast-tracking solutions.

**Reduced Phase I contract award timelines by 29%,**

speeding transition to Phase II.

**Provided 9,288 expert evaluations,**

delivering real feedback on technology potential.

**Collaborated with over 50 Army organizations,**

aligning solutions with critical Army priorities.

**Invested over \$21M in six CATALYST companies,**

supporting technologies with exceptional transition potential.

**Awarded small businesses from 44 states,**

tapping into the nation's full spectrum of talent and technologies.

**Army SBIR|STTR awardees secured \$239M**

in government or private sector Phase III funding to transition their breakthrough technologies.

**50 small businesses with active Army SBIR contracts raised \$1.3B+**

in private, equity-based investments.

*Unmanned ground vehicles tackle cross-domain operational challenges during a technology demonstration at Project Convergence-Capstone 5. Photo courtesy of U.S. Army*

# EXECUTIVE SUMMARY

The Army SBIR|STTR Program, established by the Small Business Innovation Development Act of 1982, is at the forefront of empowering small businesses to deliver innovative solutions that advance national defense capabilities. FY25 has been a year of transformative achievements, characterized by expanded participation from new entrants, measurable transitions from Phase I and Phase II, and significant advancements in key technologies.

Led by the Assistant Secretary of the Army for Acquisition, Logistics, and Technology under PIT and operating as a core component of Army FUZE, the program emboldens small businesses to deliver innovative solutions that power readiness, resilience, and operational dominance on the battlefield. By strategically investing in technologies with significant commercial potential, the program secures military advantage, expands the defense industrial base with more innovative nontraditional partners, and stimulates broader economic competition and innovation within the commercial marketplace.

Using data-rich insights and impactful performance metrics, the FY25 Army SBIR|STTR Performance Report highlights the program's continued growth and operational effectiveness by driving real-world capabilities, strengthening the U.S. industrial base, and generating measurable returns on taxpayer investments.

The additional data and examples presented throughout this report underscore the program's measurable impact in advancing Army modernization priorities through strategic investments across five technology ecosystems: AI/ML, Energy Resiliency, I&W, Sensors, and CL&S. These ecosystems reflect areas experiencing rapid commercial growth, enabling the Army to capitalize on private sector investment and achieve a higher return on investment (ROI). By investing in innovative, dual-use technologies with commercial potential within these ecosystems, the Army reduces development time, increases the flow of transformative solutions into the modernization enterprise from new-to-defense small businesses, and drives economic competition and growth in commercial markets.

Complementing these metrics, industry spotlights and technology features show how small businesses are directly shaping Army capabilities through enhanced Soldier touchpoints, operational feedback loops, and dual-use technologies with strong commercialization potential. Together, quantitative and qualitative outcomes highlight a maturing innovation pipeline that reduces development risk, strengthens national competitiveness, delivers mission-relevant technology faster, and maximizes the impact of federal research and development (R&D) dollars.



## MISSION

**Connect small businesses** and their breakthrough technologies with vital Army customers to fill capability gaps that drive readiness and accelerate modernization – ensuring the Army remains the most lethal combat force in history.



## VISION

**Provide small businesses** the opportunity to propose innovative R&D solutions that address critical Army needs.

# STRATEGIC PILLARS

The Army SBIR|STTR Program operates on a set of strategic pillars that define how the program delivers value, providing a clear framework for agility, speed, transparency, and mission-focused innovation. These pillars drive concrete outcomes: they create predictable, accessible pathways to funding for small businesses, streamline contracting and administrative processes to cut red tape, align every investment with validated Army requirements to ensure operational relevance, while strengthening the Army's engagement with the commercial sector to accelerate technology discovery. Each pillar delivers measurable impact – turning small business ingenuity into operational solutions that strengthen Army modernization.

## AGILE AWARD STRUCTURE

Army SBIR|STTR releases regular solicitations, ensuring a steady cadence of opportunities to small businesses via flexible funding pathways. Through the release of 68 total topics in FY25 – 54 focused, 3 open, and 11 xTech to SBIR – this model empowered the Army to identify promising startups, place early, high-impact investments, and expedite the development of breakthrough technologies.

**IN FY25, ARMY SBIR|STTR AWARDED \$381M IN SBIR FUNDING TO 357 SMALL BUSINESSES.**

FY25 ARMY SBIR SUMMARY			
Contract	Small Businesses Receiving Awards	New Contracts Awarded	Total Obligated
Phase I	195	237	\$59M
Direct to Phase II	84	89	\$170M
Phase II	78	87	\$152M

**IN FY25, ARMY SBIR|STTR AWARDED \$33 MILLION IN STTR FUNDING TO 64 SMALL BUSINESSES.**

FY25 ARMY STTR SUMMARY			
Contract	Small Businesses Receiving Awards	New Contracts Awarded	Total Obligated
Phase I	43	46	\$10M
Direct to Phase II	21	22	\$23M

“The Army SBIR Program was the critical catalyst for Personifi, providing early investment that dramatically accelerated development. This flexibility allowed our small business to move seamlessly from proving technical viability in Phase I to putting the capability directly into Soldiers’ hands in Phase II. Just as importantly, SBIR enabled a user-driven -development model – allowing Soldiers, leaders, and other stakeholders to actively shape functionality, guide iterations, and inform fielding decisions.”

– Dave Whitmire, Black Cape senior commercial advisor



Army experts and Soldiers provide feedback to small businesses. Photo courtesy of U.S. Army

## MISSION-ALIGNED TECHNOLOGY DEVELOPMENT

Throughout FY25, Army SBIR|STTR’s mission-aligned technology development ensured every topic and investment directly mapped to validated Army customer-driven operational priorities, tightly aligning innovation with real mission needs. By grounding all solicitations in real demand signals, the program channels small business ingenuity toward solutions that deliver battlefield advantage.

The program received 2,517 proposals from 54 targeted solicitations, showcasing the program's ability to attract innovators from across the country with solutions tailored to its modernization priorities.

The Army SBIR|STTR Program ensures mission-aligned development by funding key Army capabilities. These targeted S&T areas transform small business ingenuity into battlefield advantage:

S&T Category	Award Count	Total Funding Obligated
Sensing & Intelligence	150	\$133M
Aviation and Ground Vehicle Technologies	107	\$95M
Communications, Command & Control (C3)	78	\$89M
Protection Technologies	69	\$39M
Formation Based Capabilities	45	\$43M
Autonomy and Collaboration	52	\$53M
Unmanned Aircraft Systems (UAS)	26	\$39M
APNT	15	\$23M
Fires	13	\$14M
Energetics	7	\$11M
Counter-UAS (C-UAS)	18	\$23M
Additional Research, Development and Technology Areas	10	\$12M
Command, Control, Communications, Computers, Cyber, Intelligence, Surveillance, and Reconnaissance (C5ISR) Technologies	23	\$12M

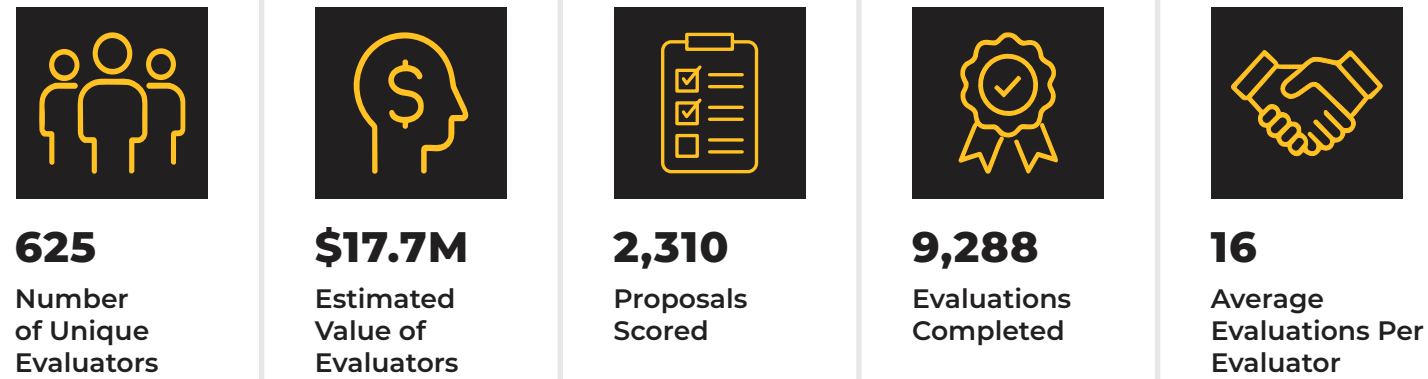
### Technology Spotlight: Context Aware Machine Learning Signal System

Vadum, Inc. is developing a mission-aligned technology via Army SBIR funding that supports the Army’s premier open architecture standards – C5ISR/Electronic Warfare (EW) Modular Open Suite of Standards (CMOSS) and Sensor Open Systems Architecture (SOSA). The small business completed an Army SBIR Phase II to automate the Observe, Orient, Decide, Act loop, and developed the Context Aware Machine Learning Signal System (CAMLs) prototype. This technology uses ML to process radio frequency signals and deliver decisions at a speed no human operator can match.

The CAMLS system integrates with CMOSS and SOSA, ensuring the capability works seamlessly across Army ground and air platforms, avoids proprietary hardware, and future-proofs the technology for simple, cost-effective upgrades. In October 2024, Vadum demonstrated CAMLS at White Sands Missile Range and gathered end-user feedback, which led to a Second Phase II award. This effort will optimize CAMLS to enable Soldiers to automatically sense and react to threats in the electromagnetic spectrum, furthering its impact on the Army's open architecture capabilities – a critical S&T capability area supported by Army SBIR|STTR.

## EXPERT FEEDBACK

**Army SBIR|STTR leverages a diverse network of experts** from across the force to deliver targeted technical and operational feedback on every eligible proposal. This expert feedback not only strengthens the mission alignment of evaluations but also helps small businesses refine their concepts early, reducing development risk and accelerating the path to Army adoption.



In FY25, 625 evaluators with extensive experience in both government service and the private sector included technical experts, acquisition professionals or program managers, and warfighters, ensuring each proposal received multiple critical perspectives.

## STAKEHOLDER CONNECTIONS

**The program fortifies stakeholder connections** at every stage of the process – from pre-submission through post-award – by bringing together small businesses with Army decision-makers, industry leaders, private capital partners, and business accelerators. These opportunities broadened the innovation pipeline from the onset of the solicitation and delivered sustained post-award support that accelerates technology transition

<b>3</b>	<b>Reverse Pitch Webinars</b>	Reached <b>1,200</b> attendees and offered early insight on 9 solicitations, highlighting upcoming federal R&D and private capital funding opportunities.
<b>20</b>	<b>In-Person Events</b>	Including the <b>2</b> premier Army Demand Signal Forums, and <b>20</b> virtual events opened doors to Army stakeholders, VC firms, and industry leaders, forging partnerships and expanded funding opportunities.
<b>200+</b>	<b>Technical Points of Contact (TPOCs)</b>	Provided awardees with technical guidance to align SBIR STTR-funded solutions with Army acquisition priorities, accelerating the path to transition.
<b>536</b>	<b>Total Transition Broker Team (TBT) members</b>	Support the active management of all Army SBIR STTR investments within their relevant technology vertical.

## TECHNICAL AND BUSINESS ASSISTANCE

**In FY25, the Army SBIR|STTR Program** strengthened commercialization outcomes through its Technical and Business Assistance (TABA) Program, which connects small businesses to specialized support at no cost to the small business. TABA offerings include Dual-Use Market Research and Strategy Planning; Capital Strategy Advisory; Intellectual Property Management; Compliance Advisory; and Commercialization Communication Advisory.

The program proved to be a critical entry point for new innovators, as 60% of the small businesses who utilized TABA in FY25 were first-time Army SBIR|STTR awardees. In addition, 64% of small businesses who received Phase II awards engaged with the preferred TABA provider for targeted support to advance their technology's roadmap for transition – an increase from 29% in FY24.

With up to \$6,500 available for Phase I projects and up to \$50,000 for Phase II, TABA empowered small businesses to build stronger business strategies, validate market pathways, and engage the right Army stakeholders early. This targeted support accelerated commercialization readiness, improved transition prospects, and ensured that Army-funded innovations delivered real operational value.

<b>\$338K</b>	<b>Value of Phase I TABA Engagements</b>
<b>\$2.9M</b>	<b>Value of Phase II TABA Engagements</b>
<b>56</b>	<b>Phase I Engagements Delivered</b>
<b>61</b>	<b>Phase II Engagements Delivered</b>
<b>\$683M</b>	<b>Funding Secured After Phase II TABA Support</b>

### TABA Spotlight: **Exonicus**

**Exonicus received** TABA Market Research & Strategy services for an Army SBIR Phase II award. This focused advisory included multiple rounds of reviews and meetings to discuss Exonicus' capability statement, quad charts, and other business development materials necessary to communicate the value proposition of the company, while also enabling Exonicus to more precisely connect with their future customers and tailor their offerings to the Army's demand signal.

"We had an excellent experience with TABA services and will absolutely be moving forward with TABA in the future. The program provided advisory for definitive improvements in our confidence in navigating the Department of War (DoW) and transitioning our technology."

## CENTRALIZED CONTRACTING

**In FY25, the Army SBIR|STTR Contracting Center of Excellence streamlined** contracting operations and ensured coordinated support for technology transitions across the program. The contracting center accelerated requirement refinement, reduced administrative delays, and shortened the timeline from concept to contract award. This centralized approach not only improved the speed and predictability of awards to get technology to Soldiers faster but also enhanced customer service to both TPOCs and small businesses.

**In FY25, the contracting center executed 431 contract actions** totaling over **\$413 million in Army SBIR|STTR funding**, for the first time executing all Army SBIR|STTR contracts from one office.

<b>109</b>	<b>Average Days from Selection to Phase I Contract Award</b>
<b>33</b>	<b>Average Phase I Contract Execution Time</b>
<b>113</b>	<b>Average Time from Selection to Phase II Contract Award</b>
<b>51</b>	<b>Average Phase II Contract Execution Time</b>

## DUE DILIGENCE AND SECURITY

In FY25, the Army SBIR|STTR Due Diligence Team safeguarded the Army's small business investments, partnerships, and national security interests through rigorous, systematic reviews of every proposal seeking funding. By identifying and mitigating risks – including investments or affiliations with Foreign Countries of Concern – the team ensured that only secure, compliant, and mission-aligned projects received funding. This oversight protected Army resources, maintained trust with industry partners, and reinforced the integrity of the innovation pipeline, ensuring that taxpayer investments advanced technologies without compromising national security.

Beyond evaluations, the team led targeted education campaigns to help small businesses understand how to maintain eligibility, navigate key compliance requirements, and safeguard their intellectual property – empowering innovators to strengthen security practices and better position themselves for future partnerships across the Army and the broader DoW.

In FY25, the due diligence team reviewed **2,476 proposals**, ensuring protection of critical and emerging U.S.-developed technologies from foreign threat actors.

## TECHNOLOGY PORTFOLIOS

Army SBIR|STTR makes targeted investments where Army needs align with rapid innovation from the commercial sector across five portfolios of technology domains – AI/ML, Energy Resiliency, I&W, Sensors, and CL&S. This strategy allows the Army to capitalize on private R&D and improve its ROI. TBTs, comprised of 536 total members from across the Army S&T ecosystem, manage the portfolios and provide the technical guidance needed to deliver next-generation solutions to the Soldier. TBTs drive continuous transition planning and risk mitigation for Army SBIR|STTR investments, bridging gaps between small businesses, Army technical experts, and transition partners.

"TBTs bridge the gap between a good idea and a fielded capability for the warfighter, sifting through numerous proposals to find the ones that don't just promise innovation, but demonstrate a deep, foundational understanding of what science can do for Soldiers. As part of the AI/ML TBT, my role is to identify and champion high-impact proposals, prioritizing small businesses capable of navigating operational nuance and delivering mission-critical solutions without the need for exhaustive explicit requirements. It's about recognizing that the most impactful solutions come from a genuine comprehension of the problem, not just from writing a perfect proposal, so we can maximize the Army's ROI and get solutions to Soldiers faster."

– Ray McGowan, AI/ML TBT member and Army Combat Capabilities Development Command (DEVCOM) CSISR senior engineer

### TBT Support in FY25

AI/ML	Energy Resiliency	I&W	Sensors	CL&S
133 TBT Members from 44 Organizations	139 TBT Members from 33 Organizations	131 TBT Members from 30 Organizations	78 TBT Members from 22 Organizations	98 TBT Members from 48 Organizations

# ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

The AI/ML TBT drives the development of secure, mission-aligned technologies that directly address Army operational gaps and national security needs. By identifying and integrating advanced AI/ML solutions, the TBT enhances battlefield awareness, accelerates decision-making, strengthens business and operational analytics, and empowers data-driven warfighting across multi-domain operations.

25	New Topics Released
124	New Awards
\$122M	New Investments
234	Ongoing Projects
\$296M	Under Management

### Army Need

The modern battlefield is a firehose of data from sensors, drones, and satellites. The Army requires AI/ML to process this information at machine speed, enabling autonomous navigation, intelligent threat recognition, and predictive analytics that give Soldiers a decisive cognitive edge in complex, fast-paced operations.

### Market Trend

The global AI market is experiencing exponential growth, projected to exceed \$1.5 trillion by 2030. AI-driven automation and data-driven insights are revolutionizing commercial industries from logistics and finance to healthcare. Companies that can deliver robust, reliable, and secure AI solutions have nearly limitless market potential.

### Value Proposition

The Army is the ultimate proving ground for AI. Its investments seek to develop resilient algorithms that can function on the edge using minimal power and under the most demanding, limited-data environments. An AI technology that can successfully guide an Army convoy through a communications-jammed battlespace or enable autonomous systems to add capability by limiting Soldier engagement also represents a likely solution to commercial market autonomous vehicle challenges or remote logistics markets.

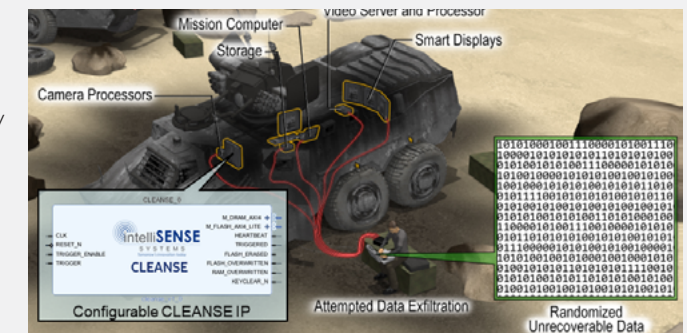
### AI/ML TBT Core Components

Automated Detection & Prevention	\$66 Million
Computer Vision Cyber Defense	\$42 Million
Explainable AI	\$41 Million
Natural Language Processing	\$38 Million
Predictive Behaviors	\$25 Million
Other	\$85 Million

### Industry Success Story: Intellisense Systems

Intellisense Systems, Inc. utilized Army SBIR Phase II funding to develop the Critical Logic Erasure for Abandonment of Non-Sanitized Equipment (CLEANSE) technology, which directly enhances the operational security of Army ground vehicles. This innovative IP core provides a non-destructive method to instantly wipe sensitive data from advanced Field-Programmable Gate Array (FPGA) systems at the press of a button or via an automatic trigger, preventing enemy exploitation of critical information.

The Phase II funding enabled Intellisense to mature the technology, ensuring its effectiveness, and accelerating its integration into an existing Line Replaceable Unit (LRU) on production representative tactical systems. This LRU testing demonstrated the combination of FPGA vendor inoperability, diversity in memory type sanitization, and standards alignment, with potential to deliver a critical security upgrade that enhances the operational security of Army ground vehicles, while also enabling the secure use of advanced FPGA systems across land, air, and sea domains. To reduce barriers for industry adoption of the CLEANSE technology, Intellisense also participated in standards alignment activities, including collaboration with the SOSA® Consortium to refine the zeroization and sanitization content and interactions for inclusion in an updated version.



The CLEANSE technology. Photo courtesy of Intellisense

# ENERGY RESILIENCY

The **Energy Resiliency TBT** develops mission-critical expeditionary energy solutions that directly address Army power gaps and strengthen operational readiness. By advancing technologies that reduce energy demand, increase efficiency, and lessen dependence on vulnerable fuel supply lines, the TBT ensures resilient, sustainable power for future Army systems across all echelons.

*\* Beginning in FY26, the Energy Resiliency portfolio will align under the CL&S portfolio.*

<b>7</b>	<b>New Topics Released</b>
<b>73</b>	<b>New Awards</b>
<b>\$63M</b>	<b>New Investments</b>
<b>160</b>	<b>Ongoing Projects</b>
<b>\$185M</b>	<b>Under Management</b>

## Energy Resiliency TBT Core Components

Energy Storage	\$73 Million
Efficient Industry Technologies	\$53 Million
Advanced Energy Generation	\$27 Million
Transportation Power Systems	\$24 Million
Micro-Grid	\$7 Million

### Army Need

Energy is a critical vulnerability. Our forces require resilient, independent power sources to operate at the tactical edge, untethered from vulnerable fuel convoys. Investments focus on next-generation battery technology, high-efficiency power generation, smart microgrids, and advanced energy storage solutions.

### Market Trend

The global transition to sustainable and resilient energy solutions is a multi-trillion-dollar shift. Commercial markets are demanding innovations in battery longevity, grid-scale storage, and portable power for everything from electric vehicles to disaster relief and remote industrial operations.

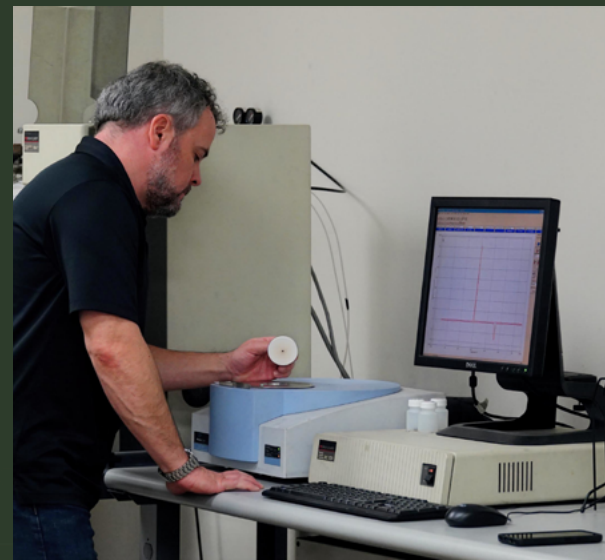
### Value Proposition

The Army's increasing reliance on a wide array of electronic devices for communications and situational awareness on the battlefield creates a significant demand for resilient and efficient platoon power. A small business that develops a lightweight, multi-fuel generator capable of powering a platoon's essential equipment also creates a product for the broader generator market, which is projected to reach \$53.5 billion by 2032.

## Technology Spotlight: Smart Coolant

**NEI Corporation began an Army STTR Phase II** in May 2025 to develop a Smart Coolant, creating an advanced fluid technology designed to protect ground and airborne vehicle engines from overheating. The technology consists of engineered composite nanoparticles dispersed in an easy-to-use concentrate, featuring a heat-sinking effect that activates automatically at high temperatures. This creates a crucial thermal buffer that absorbs dangerous heat spikes, preventing the engine from reaching a critical failure point.

The technology gives the vehicle's engine a built-in safety net, allowing it to perform reliably under the most demanding combat and environmental conditions. Via the Phase II award, NEI Corporation will mature the Smart Coolant to a near production-ready technology, translating into more reliable vehicles that can operate longer and harder, a reduced thermal signature that makes them less visible to the enemy, and the potential for lighter cooling systems.



NEI's Smart Coolant. Photo courtesy of NEI



# IMMERSIVES & WEARABLES

The **I&W TBT** develops mission-focused Extended Reality and wearable technologies that address critical Soldier performance and readiness gaps across the force. By advancing devices, garments, and equipment that enhance training realism, optimize physical and cognitive performance, support recovery, and improve protection, the TBT equips Soldiers with capabilities that strengthen survivability, adaptability, and effectiveness in challenging operational environments.

<b>10</b>	<b>New Topics Released</b>
<b>47</b>	<b>New Awards</b>
<b>\$35M</b>	<b>New Investments</b>
<b>107</b>	<b>Ongoing Projects</b>
<b>\$129M</b>	<b>Under Management</b>

## I&W TBT Core Components

Human Performance Devices	\$37 Million
Immersive Hardware	\$24 Million
E-Textiles	\$13 Million
Environmental Threat Sensors	\$12 Million
Immersive Software	\$12 Million
Other	\$30 Million

### Army Need

Training modern Soldiers for multi-domain operations requires realistic, repeatable, and scalable solutions. Immersive technologies like augmented and virtual reality (AR/VR) provide a safe training environment. Wearable sensors provide real-time data on Soldier health and performance, optimizing readiness and preventing injuries.

### Market Trend

The global market for XR is rapidly expanding beyond gaming into professional training, education, and remote assistance, with market size projected to grow fivefold in the next five years. Similarly, the wearable technology market, driven by health and fitness trends, is a multi-billion-dollar industry seeking more accurate and durable sensors.

### Value Proposition

Army investment de-risks the development of enterprise-grade immersive and wearable solutions. A VR platform built to train a tank crew on complex maintenance procedures has proven its utility for commercial applications in manufacturing, automotive repair, and medical training. A biosensor ruggedized for a Soldier in combat is a premium, highly reliable product for professional athletes or first responders.

## Technology Spotlight: Aegily's Wearable Cortisol Sensor

**Aegily's has developed a non-invasive wearable sensor** that measures cortisol from sweat providing objective insights into stress and readiness while avoiding skin penetration and potential infection risk. Phase II funding led to a successful prototype validated against traditional lab methods evaluating cortisol. However, cortisol detection was strongest when the user was actively perspiring, limiting utility.

To address this limitation, the Army awarded Aegily's Second Phase II funding to expand the capability, beginning with engineering a novel microfluidic hydrogel layer to improve detection at lower sweat rates, making the technology more effective for less physically intensive but equally stressful duties. Aegily's is collaborating with the DEVCOM Soldier Center to refine a fieldable, low-burden wear approach to improve comfort, gear compatibility, and reliable skin contact over time while laying the groundwork to expand sweat monitoring to additional biomarkers. Aegily's SBIR progress has helped to catalyze follow-on Army interest in applying this sensing approach to other use-cases.



The Aegily's Sensor. Photo courtesy of Aegily's

# SENSORS

The **Sensors TBT develops** advanced sensing and onboard processing technologies to meet the Army's critical needs for detection, tracking, classification, and real-time understanding in modern operational environments. By developing devices that capture and refine data at the edge before transmission, the TBT enhances automation, improves system efficiency, and strengthens the Army's ability to operate, maneuver, and make informed decisions in multi-domain battlespaces.

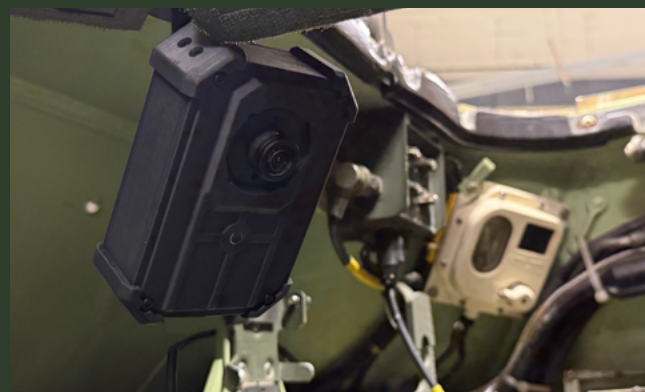
<b>16</b>	<b>New Topics Released</b>
<b>103</b>	<b>New Awards</b>
<b>\$87M</b>	<b>New Investments</b>
<b>202</b>	<b>Ongoing Projects</b>
<b>\$198M</b>	<b>Under Management</b>

## Sensors TBT Core Components

Optical Sensors	\$85 Million
Radio Frequency Sensors	\$21 Million
Data Processing	\$20 Million
Signal Processing	\$18 Million
Acoustic Sensors	\$6 Million
Other	\$47 Million

## Industry Success Story: Shock Stream

**Shock Stream received an Army SBIR Direct to Phase II** contract to accelerate development of the Integrated Tactical Vehicle Recorder (ITVR), a cost-effective, modular, open-architecture system that directly enhances range safety and provides superior after-action reviews, improving Soldier readiness and lethality. The ITVR's success, which includes significant life-cycle cost savings and reduced manpower needs for installation, was validated by a Phase III contract for integration into the Army's Digital Ranges Training System (DRTS) Program of Record in July 2025, with the system planned for fielding across more than 20 Army facilities.



Shock Stream's ITVR. Photo courtesy of Shock Stream

### Army Need

In near-peer conflicts and contested environments, battlefield dominance hinges on the ability to see first, understand first, and act first. To maintain a decisive edge, the Army invests in a wide array of advanced sensors – from quantum devices and advanced radar to hyperspectral and acoustic sensors – designed to deliver unparalleled situational awareness across all domains, enabling rapid and informed decision-making in contested battlespaces.

### Market Trend

The demand for smaller, more powerful, and more efficient sensors is a foundational driver of nearly every major technology market, including autonomous vehicles, smart cities, precision agriculture, and medical diagnostics. The global sensor market is a bedrock of the modern economy.

### Value Proposition

The Army has some of the most demanding sensor requirements on Earth. We need technologies that are exquisitely sensitive yet incredibly durable. Companies that can meet our standards for size, weight, power, and cost while delivering a sensing advantage create technologies that are immediately attractive to a host of commercial integrators, from drone manufacturers to medical device companies.



# CONTESTED LOGISTICS & SUSTAINMENT

The **CL&S TBT develops** strategic and operational technologies that address the Army's sustainment and distribution gaps in contested environments. By advancing solutions that strengthen logistical resilience, optimize supply chain visibility, and enable secure, reliable movement of forces and materiel under adversarial pressure, the TBT ensures Army units remain supplied and mission-capable across dispersed and highly challenged operational theaters.

<b>6</b>	<b>New Topics Released</b>
<b>122</b>	<b>New Awards</b>
<b>\$98M</b>	<b>New Investments</b>
<b>177</b>	<b>Ongoing Projects</b>
<b>\$158M</b>	<b>Under Management</b>

### Army Need

The Army will fight future conflicts with strained and targeted supply chains. The Army is investing heavily in technologies that build resilience, including predictive maintenance, autonomous resupply, advanced manufacturing (3D printing), and secure supply chain management tools.

### Market Trend

The 2020s have demonstrated the fragility of global supply chains. Commercial logistics providers and manufacturers are desperately seeking innovations that improve visibility, predictability, and resilience. The market for additive manufacturing, autonomous trucking, and supply chain analytics is seeing massive private investment.

### Value Proposition

The military is the ultimate logistics stress test. A predictive maintenance algorithm that can forecast a component failure on a combat vehicle is readily adaptable to a commercial airline or trucking fleet. An advanced manufacturing platform that can print certified metal parts in the field represents the holy grail for commercial industries looking to reduce inventory and repair times. Army SBIR funding helps companies mature these technologies for the world's most demanding customer.

## CL&S TBT Core Components

Tactical Communication Technologies	\$59 Million
Low-Signature Delivery Systems	\$31 Million
Advanced Sustainment Systems & Materials	\$23 Million
Field-Repair & Modularity Technologies	\$22 Million
Advanced Manufacturing	\$20 Million
Other	\$5 Million

## Industry Success Story: D-2 Incorporated

Army SBIR provided funding for **D-2 Incorporated's Petroleum Environmental Assessment Kit (PEAK)**, a critical tool now safeguarding Army fuel integrity. Through key awards, including an Army SBIR for a fuel conductivity meter and a Navy SBIR for water content measurement, D-2 created a single, portable system for rapid, on-site fuel quality assessment. This investment enabled the development and integration of two vital technologies, addressing the critical need to identify fuel contamination before it causes equipment failure and impacts mission performance.



D-2's PEAK. Photo courtesy of D-2

In FY25, the maturation of the PEAK system led to a Phase III contract under Product Manager Petroleum and Water Systems (PdM PAWS) with a total contract value of \$106 million. D-2 has created over 180 PEAKs that have been fielded across the force, with a program objective to manufacture and deliver over 3,000 kits over the life of its 10-year contract. By allowing Soldiers to proactively identify and mitigate fuel contamination issues in the field, the PEAK system increases operational uptime, reduces maintenance costs, and enhances overall readiness, amplifying the value of inter-service collaboration.

# PROGRAM HIGHLIGHTS

In FY25, the Army SBIR|STTR Program realized significant achievements, effectively advancing its mission to deliver cutting-edge technology to Soldiers. The program drove substantial "innovation in the dirt" by successfully moving technologies from the laboratory to and into the hands of Soldiers, ensuring the Army vetted new capabilities with real-world testing and feedback. Another key program highlight was the Army SBIR CATALYST Program, which directed total investments of \$42 million to accelerate the transition of promising technology. Furthermore, the program awarded 54 follow-on Army SBIR contracts, valued at over \$82 million, to winners of Army FUZE xTech competitions. The program also intensified its engagement with private capital, bridging the gap between Army modernization priorities and the commercial innovation sector to create shared value in the defense technology marketplace.



U.S. Army Special Operations Command combat divers participate in the Special Forces Underwater Operations School. Photo courtesy of U.S. Army

## INNOVATION IN THE DIRT

Army SBIR|STTR encourages innovation "in the dirt" – meaning getting innovative solutions out of the lab and into the hands of Soldiers for real-world testing and feedback, ensuring that the technology is practical, effective, and meets critical Army needs on the battlefield. In FY25, the program leveraged this Soldier-centric approach to accelerate the delivery of several breakthrough technologies and ensure selected solutions were both technically sound and operationally relevant – ultimately increasing the likelihood of successful transition.

## Spotlight Army Applications Lab

In FY25, the Army SBIR|STTR Program and the Army Transformation and Training Command (T2COM) HQ Army Applications Laboratory (AAL) deepened their partnership to accelerate the delivery of Soldier-focused innovation via hands-on Soldier testing and training. AAL managed a dynamic portfolio of nine SBIR projects and completed five others in FY25, connecting 32 small business innovators with technical experts and end-users to accelerate solutions into the hands of our Soldiers.

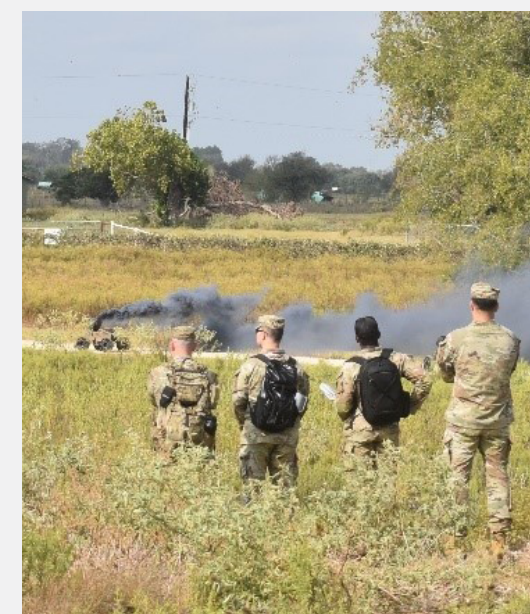
By aligning Army SBIR topics with AAL's operational insights and expertise in problem framing with Soldier engagement opportunities, these projects ensured small businesses focused on critical Army challenges with direct access to the end users in areas like breaching/terrain shaping, human-machine integration, and autonomy.

## Engineer Operations Testing

AAL partnered with Army SBIR to execute the Remote Breaching and Deep Terrain Sensing projects in FY25, together referred to as Engineer Ops, which included a live-virtual-constructive environment. The testing enabled small Combat Engineer Company elements to conduct engineer operations with prototype technology under a live platoon Situational Training Exercise setting with simulated mission delivery and live combined arms operations at the battalion level. Units were able to train, develop tactics, techniques, and procedures, and provide technology feedback while material developers assessed technology for field use – with the best technologies retained by units for additional training. Engineer feedback during this event challenged the status quo for Soldiers using machines and traditional formations and focused on operational outcomes – breaching, delay, deter, deny, block, fix, and turn – instead of focusing on technology-driven outcomes. The Engineer Ops project will enable Army engineers to repetitively acquire, train with, and dispose of technologies to enable a holistic change in approach to critical mission sets.



Army SBIR and AAL executed the Remote Breaching and Deep Terrain Sensing projects. Photo courtesy of Army Applications Lab



Robotics demonstration during xTech|Overwatch finals. Photo courtesy of U.S. Army Applications Lab

## xTech|Overwatch Collaboration

xTech|Overwatch launched in FY25 to accelerate autonomous air, ground, and sensing technologies through a coordinated partnership between Army FUZE (Army xTech and SBIR|STTR), T2COM, and AAL, ultimately drawing more than 600 submissions. In early FY26, 37 finalists will advance to live Soldier-centered evaluations at the Bush Combat Development Complex, with 20 moving forward to Direct-to-Phase II SBIR awards for their systems designed to perform overwatch and terrain-shaping tasks for Soldiers in the field. The competition's success underscored the impact of strong partnerships: xTech's prize model expanded outreach to nontraditional innovators, Army SBIR provided a rapid, flexible contracting pathway to mature solutions, AAL ensured alignment with operational needs and opportunities for Soldier-led experimentation, and T2COM provided expertise to support the technology evaluation, development, and rigorous field experimentation. Together, these efforts created a high-quality pipeline of autonomous capabilities and demonstrated how coordinated innovation accelerates modernization across the Army.

Spotlight **U.S. Army Pacific**

**xTech|Pacific 2025**

In March 2025, the Army launched the xTech|Pacific 2025 competition in partnership with U.S. Army Pacific (USARPAC) and the Army Catalyst Pathfinder Program, offering cash prizes and a pathway to up to \$8 million in follow-on Direct to Phase II Army SBIR contracts for four winners. The competition focused on topic areas addressing the unique operational challenges of the Indo-Pacific theater. In September 2025, finalists participated in an experimentation event conducted with USARPAC Soldiers, providing feedback under realistic operational conditions. At Pearl Harbor, finalists deployed drone boats and counter-drone technologies, while at Schofield Barracks, experiments centered on detecting unexploded ordnance in complex terrain and advancing electronic warfare sensing. Winners will be announced in December 2025 and planned SBIR awards to begin in January 2026.



xTech|Pacific 2025 technology demonstrations. Photo courtesy of U.S. Army

**Joint Force Experimentations**

Tiami Networks, winner of xTech|Pacific 2023, matured the Secure Network Slices Over 5G via an Army SBIR Phase I. Tiami received a Phase II in April 2025 to integrate its PolyEdge Integrated Sensing and Communications capability, with Joint Forces in the Pacific conducting experimentations on the solution, in addition to the Hawaii Department of Law Enforcement.



Tiami's PolyEdge ISAC capability. Photo courtesy of Tiami

Spotlight **XVIII Airborne Corps**

**Piloting Alongside the 101st Airborne**

Leveraging an Army SBIR Phase II, Alitheon's dual-use FeaturePrint technology addresses supply chain fraud by turning a standard smartphone into a powerful authentication tool. This support enabled crucial pilots with the Stryker Brigade and 101st Airborne Division, which proved the technology's value by cutting sensitive-item inventory times by 80% and demonstrating its real-world military utility.



Alitheon completed successful end-user testing with the Stryker brigade and 101st Airborne. Photo courtesy of Alitheon

**Transforming C-UAS via Soldier Testing**

AeroParagon, a winner of xTech|Search 8, is rapidly advancing its C-UAS technology, transitioning from a Phase I in May 2024 to an Enhanced Phase II in FY25. Throughout the transition, AeroParagon utilized Soldier feedback to inform the design process, focusing on deployable autonomous operation. The company supported the 82nd Airborne Division's Dragon's Lair competition by providing a 3D-printed drone for concept exploration, which helped validate system requirements. Following successful system maturation at the Maneuver and Fires Integrated Experiment at Fort Sill in July 2025, AeroParagon achieved an autonomous drone interception at the Advanced Naval Technology Exercise Coastal Trident in September 2025, demonstrating a critical step towards real-world autonomous C-UAS capability.



AeroParagon advances C-UAS technology via Soldier testing. Photo Courtesy of AeroParagon

Spotlight **Special Operations**

**Enhancing Diver Safety**

Supported by an Army SBIR Phase II award, Altec developed its innovative Hybrid Diver Readiness Observation System (HYDROS), a technology that monitors a diver's biometrics and wirelessly transmits real-time data to prevent medical emergencies. In FY25, the technology proved its life-saving potential during evaluations at the U.S. Navy Experimental Diving Unit and in open-water demonstrations at depths of up to 130 feet. Based on the success of these demonstrations, the U.S. Special Operations Command (SOCOM) is planning to collaborate with the Army on this effort, highlighting Army SBIR's crucial role in transitioning technologies that enhance diver safety and operational readiness.



Altec's HYDROS was evaluated by the U.S. Navy Experimental Diving Unit. Photo courtesy of Altec, Inc.

**“Engagement with combat divers, instructors, and end-users at Special Forces Underwater Operations School was fundamentally critical to this effort providing a direct-link between DoW stakeholders and Altec development teams – delivering an underwater clinical-grade sensing platform never before achieved.”**

**– John Chiodini, Sr. Research Scientist, Altec, Inc.**

**Ranger Recruiting with AI**

Through a critical partnership with the U.S. Army Special Operations Command (USASOC) 75th Ranger Regiment, Black Cape's Personifi decision intelligence platform is revolutionizing their highly selective recruiting process. Matured with the support of an Army SBIR Phase II, the platform replaces hundreds of man-hours of manual data review with a data-driven talent management operation, allowing experienced Rangers to focus on training and readiness. Beginning in FY25, Personifi results aided board member decisions to select or non-select Rangers between the ranks of Staff Sergeant and Major, including during recent Ranger Assessment and Selection Programs. The successful implementation has not only prompted the 75th Ranger Regiment to seek its own funding to enhance the tool but has also led Black Cape to pursue extension of the tool to support the recruiting and training of future warfighters across the DoW.



Black Cape's Personifi used during the Ranger Assessment and Selection Program. Photo courtesy of U.S. Army

## ARMY SBIR CATALYST







The Army SBIR CATALYST program accelerates the transition of groundbreaking technologies and bridges the "valley of death" by offering awards of up to \$15 million, supplemented by matching funds from integrators and Army customers. Each project begins with a \$1 million Army SBIR base award, with the opportunity to access up to an additional \$7 million in Army SBIR funding when matched by both the Army customer and an integrator – ensuring a consistent flow of innovative solutions, fostering partnerships, and driving advancements to meet the Army's evolving needs.

### Six Active Army SBIR CATALYST Awards Received the Following Funding in FY25

<b>\$42M</b>	<b>Total Project Investments</b>
<b>\$21.6M</b>	<b>Army SBIR Funds</b>
<b>\$15.2M</b>	<b>Transition Partner Funds</b>
<b>\$5.3M</b>	<b>Integrator Funds</b>

The program prioritizes and develops high-impact solutions that demonstrate the strongest potential for securing matching funds from Army transition partners and integrators. This selective approach ensures that only the most promising and financially-viable technologies are advanced and transitioned into current and future Army systems.

### ONGOING CATALYST PROJECTS IN FY25

 <b>Compound Eye</b> Undetectable, GPS Denied Mapping and Positioning	 <b>MaXentric</b> Secure Software Defined Radio	 <b>Orbital Research</b> Networked Lethality Using Weaponized UAS	 <b>Liquid Piston</b> Compact, Efficient Rotary Engines	 <b>Near Earth</b> Autonomous Helicopter a Conversion Kit	 <b>Solvus Global</b> Field Artillery Repair
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Photos courtesy of Compound Eye, MaXentric, Orbital Research, Liquid Piston, Near Earth, and Solvus Global

### Industry Success Story **Near Earth Autonomy**

**Creating a world where autonomous flight is common and safe,** Near Earth Autonomy is developing a solution that enables a wide range of aircraft to operate uncrewed, with enhanced safety, efficiency, and performance. The small business is developing and flying optionally piloted contested logistics solutions by retrofitting UH-60L Black Hawk helicopters with advanced autonomy kits, enabling 24/7, uncrewed, high-tempo operations without requiring onboard crew, remote pilots, or continuous data links. Near Earth Autonomy's system creates a repeatable, scalable process to retrofit a broad range of vertical take-off and landing aircrafts, enabling the Army to advance the capabilities of established aircrafts and accelerate development and acquisition cycles. The UH-60L is the first targeted platform, but the system is extendable to other aircrafts and scalable across fleets.



Near Earth's Rotorcraft Uncrewed Conversion Kit enhances safety and efficiency of uncrewed aircrafts. Photo courtesy of Near Earth

Near Earth Autonomy's rapid success within the Army SBIR CATALYST Program is a testament to the program's effectiveness in fielding innovation. Within six months, the company secured a transition partner and nearly \$12 million in funding for its autonomous flight technology, which will make uncrewed aircraft safer and more efficient for Soldiers. This accelerated time frame, facilitated by the CATALYST program's unique 2:1:1 funding model, demonstrates strong Army confidence in Near Earth Autonomy's "Responsive Uncrewed Capability Kit," which is being accelerated for completion in 2026.

## XTECH PROGRAM PARTNERSHIP

The Army FUZE xTech Program leverages congressional prize authorities to attract new, nontraditional innovators and introduce them to Army problems and customers. In addition to non-dilutive cash prizes, xTech partners with Army SBIR|STTR to lower barriers to entry by offering streamlined pathways to follow-on SBIR|STTR awards for selected competitions. Using Title 10 U.S. Code § 4025 to meet competition requirements, xTech enables the Army to rapidly engage emerging companies, expand the innovation base, and create funding, networking, and exposure opportunities for small businesses.

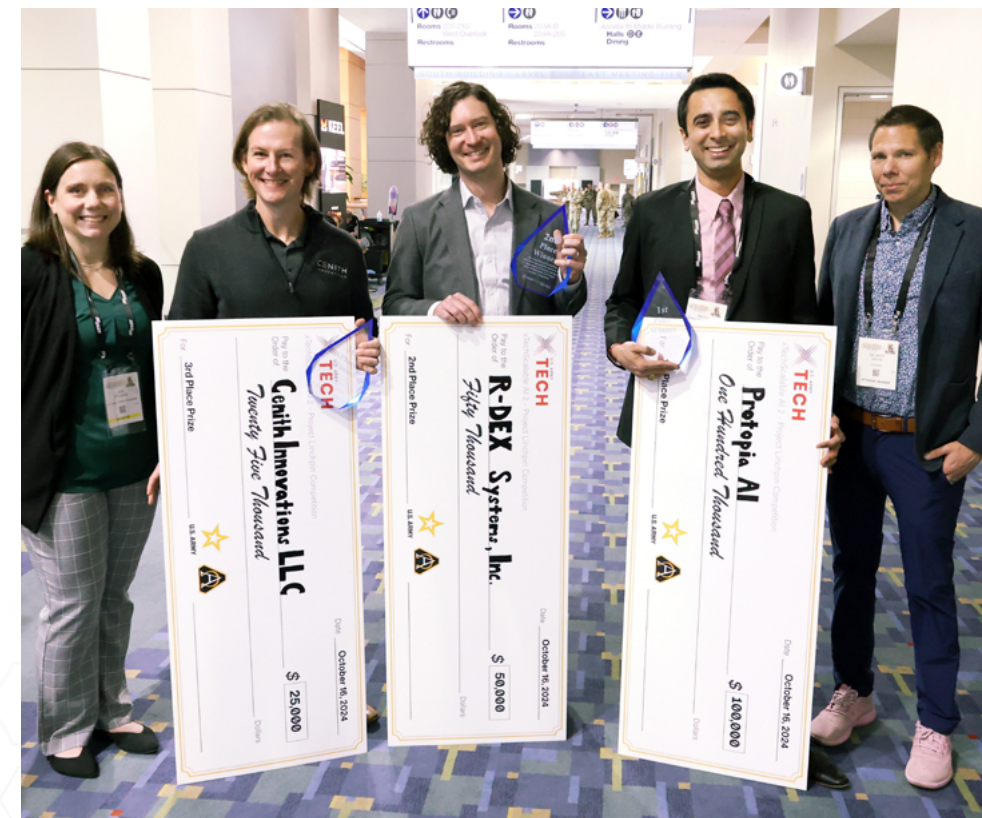
In FY25, Army SBIR|STTR awarded 54 follow-on Army SBIR contracts totaling over \$82 million, including \$59 million in new Phase I or Direct-to-Phase II awards to winners of competitions that concluded in FY25 and \$23 million in Phase II awards to prior competition winners. In addition, the program executed four new xTech-to-SBIR competitions.

### XTECH-TO-SBIR COMPETITIONS CONCLUDED IN FY25

Competition	Funding Awarded
<b>xTech Pacific</b>	<b>\$19M</b>
<b>xTech Scalable AI</b>	<b>\$8M</b>
<b>xTech Scalable AI 2</b>	<b>\$19M</b>
<b>xTech Search 8</b>	<b>\$3M</b>
<b>xTech Special Forces</b>	<b>\$10M</b>

### Competition Spotlight **xTech|Scalable AI 2**

**xTech|Scalable AI 2 launched in March 2024** to prioritize the development of disruptive AI solutions with focus areas aligned to the Army's Project Linchpin. In FY25 at the Association of the United States Army Annual Meeting and Exposition, the competition announced 12 final winners, who each received the opportunity to submit for a Phase I or Direct to Phase II Army SBIR contract award. In total, the winners received nearly \$20 million in funding to leverage the power of AI and operationalize it at scale for the Army.



Winners of xTech|Scalable AI 2 received \$19 million in Army SBIR contract awards in FY25. Photo courtesy of U.S. Army

## XTECH-TO-SBIR COMPETITIONS EXECUTED IN FY25

### xTech|Ignite

**Topic Areas**

- Innovative Operations for Treatment and Processing of Wastewater
- Generative AI-enabled Tactical Network
- Bridge Health Monitoring System
- Ruggedized Sensors
- AI for Aided Driving of Ground Combat Vehicles
- Enabled Source Selection
- Enabled Portfolio Management
- Novel AI Techniques for Insights in Various Environments

**Partners**

- JPEO Armaments & Ammunition
- PEO Command, Control, Communications & Network
- PEO Combat Support & Combat Service Support
- PEO Enterprise
- PEO Ground Combat Systems
- PEO Intelligence, Electronic Warfare & Sensors

**Total Army SBIR Funding Available: \$27M | Winners: 24**

### xTech|Pacific 2025

**Topic Areas**

- Detection of Buried Explosives and Unexploded Ordnance
- Advanced Defensive and Deterrent Capabilities for Army and Commercial Watercraft
- Electronic Warfare Domain Awareness and Sensing

**Partners**

- U.S Army Pacific
- Catalyst Pathfinder Program

**Total Army SBIR Funding Available: \$6M | Winners: 4**

### xTech|Overwatch

**Topic Areas**

- Autonomous Unmanned Systems
- Sensor Fusion, Data Integration, and AI-Driven Target Recognition & Classification
- Secure Communications & Networking
- Human-Machine Interface for Effective Decision-Making
- Edge Computing for Onboard Processing
- Resilient Robotic for Adaptive Terrain Navigation
- Automated Self-Recovery Mechanisms
- Collaborative/Mission-Focused Autonomy
- UGV and UAS Payloads; Modular & Open Architecture

**Partners**

- T2COM
- AAL

**Total Army SBIR Funding Available: \$40M | Winners: 20**

### xTech|Search 9

**xTech|Search is the program's premier open-topic competition**, uncovering disruptive commercial technologies. By removing defined problem statements, the competition surfaces solutions to challenges before they are codified into Army requirements.

**xTech|Search 9 offered up to \$6 million in Phase I contracts to 24 winners**

For more information, visit the competition pages at [xtech.army.mil](http://xtech.army.mil).



### PRIVATE CAPITAL ENGAGEMENTS

Private capital engagements **help close the gap between Army modernization needs and the commercial innovation ecosystem** – bringing together Army acquisitions and senior leaders, emerging innovators, and investors to create mutual value in the trade space of defense technologies. In FY25, Army SBIR|STTR hosted three reverse pitches webinars for 1,200 attendees, allowing Army technical experts to showcase nine upcoming funding opportunities. The program participated in the first annual Army Demand Signal Forum series that collide people from Army acquisitions and senior leaders, tech companies, and private capital firms to exchange information with the intent of identifying valuable opportunities for collaboration. By openly sharing capability gaps, operational priorities, and future procurement needs, these forums give innovators unprecedented insight into where the Army is investing and why.

#### Spotlight Army Demand Signal (FEB and SEP 2025)

**The first Demand Signal Forum**, held in February 2025 at Stanford University, brought together Army PEOs, research centers, entrepreneurs, and top private capital firms to align commercial innovation with Army modernization needs. Army SBIR|STTR partnered with xTech to launch xTech|Ignite, broadcasting clear demand signals around Army needs and providing prize monies that culminated in SBIR awards. By collaborating with the private capital firms America's Frontier Fund and Venrock along with Stanford's Gordian Knot Center that provided the venue in Palo Alto, CA, the program helped connect companies to funding opportunities from government and private capital partners.

The second Army Demand Signal Forum in September 2025 deepened engagement with industry and investors by handing the mic to tech companies to propose cutting edge solutions to the Army's February Demand Signal in front of the appropriate Army acquisitions professionals. The event also marked the launch of Army FUZE by the Secretary of the Army, with the program now aligned to accelerate transition and prototyping through this modernization portfolio. Together, the FY25 forums broadened Army SBIR|STTR's reach into commercial ecosystems and strengthened alignment between Army operational needs, tech companies, and private capital.

#### Competition Spotlight xTech|Ignite

**xTech|Ignite launched in February 2025** at the inaugural Army Demand Signal Forum and offered an entry point into the Army SBIR|STTR Program, unlocking access to follow-on Army SBIR contracts. The competition addressed eight mission-aligned topic areas that came directly from six PEOs. The Army selected 24 winners who each earned cash awards and the opportunity to submit Phase I or Direct to Phase II Army SBIR proposals to continue developing their solutions alongside Army customers. This targeted partnership connected innovators to contracting pathways, transition partners, and technology requirements.

# FY26 OUTLOOK

**FY25 marked a pivotal shift** in the Army's innovation ecosystem with the launch of Army FUZE in September 2025. Announced by Secretary of the Army Hon. Daniel Driscoll, FUZE unifies the Army's leading innovation efforts into a single enterprise designed to connect discovery with delivery and accelerate capability to Soldiers. Embracing a Silicon Valley-style model, FUZE adopts a VC mindset – scanning widely for high-potential technologies, making informed early investments, and scaling solutions that show the strongest promise.

As a core component of FUZE, the Army SBIR|STTR Program plays a central role in operationalizing this approach. The program identifies promising startups early, places strategic and risk-tolerant investments at the intersection of commercial and military value and supports companies through maturation and transition. This strengthens the industrial base, diversifies the Army's supplier pool, and ensures taxpayer R&D investments generate real capability returns.

Together with complementary FUZE programs – xTech, Manufacturing Technology (ManTech), and Technology Maturation Initiative (TMI) – Army SBIR|STTR forms a critical part of a unified innovation engine that accelerates modernization, supports acquisition reform, and ensures the Army remains agile and competitive in a rapidly evolving global environment.

As we look ahead to FY26, the Army FUZE SBIR|STTR Program remains committed to fostering technological advancements with significant operational relevance. Our continuous investments will enhance data transparency and maximize delivery impacts, and we will be consolidating portfolios – aligning Energy Resiliency under CL&S – to further streamline these efforts. A key aspect of our strategy is strengthening our alignment with the Army's PIT. This deeper integration is highly beneficial to the Army SBIR|STTR Program, as it ensures our efforts are seamlessly connected with broader Army acquisition reform and modernization initiatives. The anticipated positive impact is a more unified innovation landscape that will accelerate technology transitions, improve acquisition integration, and ultimately deliver greater capability returns to the Soldier.

The outlook for FY26 is promising. Focused on innovation, transparency, and impactful technology delivery, we will equip our Soldiers with cutting-edge, operationally relevant technologies, reinforcing our commitment to national security. We encourage stakeholders to watch for the Army FUZE Annual Report in FY26, which will showcase SBIR|STTR successes and initiatives. Stay updated through our forthcoming publications and reports.

**“The Army SBIR|STTR Program serves as a critical connective tissue for Army FUZE, an initiative designed to rethink how we operate, innovate, and deliver results for Soldiers. The program creates a direct link to the innovative power of small businesses, guiding their technologies along the Army's Pathway for Innovation and Technology. This enhanced collaboration with industry is what drives true transformation across the enterprise.”**

**– Mr. Chris Manning,  
Deputy Assistant  
Secretary of the Army for  
Research and Technology**

**“The future of warfare will depend on speed. We will need to be able to move fast to get capabilities into the hands of our warfighters. FUZE will align funding and authorities to streamline the acquisitions process.”**

**– Secretary of the Army, Hon. Daniel Driscoll**



Secretary of the Army, Hon. Daniel Driscoll speaks at AUSA. Photo courtesy of U.S. Army



13F Advanced Individual Training students are provided a demonstration of a new UAS/UAV platform by the C-UAS school house and drone pilots. Photo courtesy of U.S. Army

