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Government & Regulations

Small company, big impact: How SBIR can boost Arizona startups



The federal Small Business Innovation Research (SBIR) program provides funding to help small U.S. businesses develop technologies with government and commercial applications.

DIAN_S_CAHYA

By Jason Ferguson – Contributing writer
Nov 14, 2025

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Story Highlights

- The federal SBIR program expired September 30, risking funding for small businesses
- W5 Technologies used SBIR funding to develop portable military communications devices
- The company took four years to secure its first buyer after initial funding

We had an idea: a portable communications device that enables soldiers to get connected in the field, even in the toughest, most remote conditions. At W5 Technologies, we call it Mighty MUOOS.

We saw a market for it. What we didn't have was the money to build it. Then we discovered SBIR.

SBIR (Small Business Innovation Research) is a federal program that provides funding to help small U.S. businesses develop technologies with government and commercial applications. For us, SBIR was more than money. It was a launching pad.

SBIR moves slowly and methodically. Phase I and Phase II awards aren't a windfall. They're an invitation to research and prove a concept. They don't buy you a factory overnight. Still, the program did something crucial: It gave us a contract vehicle, intellectual-property ownership, and a path to credibility with government customers. It opened doors to people and opportunities we otherwise wouldn't have met.

We've built more than 30 Mighty MUOOS units, but getting from prototype to customer was hard. After our first SBIR award, it took four years to land our first buyer. Convincing buyers that a small company could produce, support and sustain a complex product proved to be the biggest hurdle. In short: we had to show we could deliver, find someone inside the Defense Department willing to take a risk on us – a “champion” – and then let the product speak for itself.

If you're an entrepreneur thinking about SBIR, here are lessons from our journey:

1. **Get training.** Learn how to write proposals and how the SBIR process actually works before you apply. We benefited from classes offered by the [Arizona Commerce Authority](#) and local industry groups that teach proposal strategy and how to engage technical points of contact.

2. **Find a champion.** Identify someone who will vouch for your capability and fight for your solution.
3. **Build the right team.** This included engineers with complementary skills, manufacturing know-how, and operations experience.
4. **Talk to technical points of contact early.** Use the open-topic window to clarify what the government really wants.
5. **Learn to sell.** Have a concise pitch, a capability statement, and a repeatable marketing and sales process. Great tech won't sell itself.

SBIR at a crossroads

Right now, SBIR itself is at risk. The program expired on Sept. 30, and unless Congress acts to restore SBIR, a critical funding lifeline for thousands of small companies could be eliminated.

Arizona's innovation ecosystem, including supportive trade organizations, makes the state an ideal home for SBIR-driven startups. Local groups are already urging quick action from lawmakers to preserve this pipeline of innovations that benefit both our economy and our national security.

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SBIR didn't make us overnight successes. It gave us a start and connected us to a network pushing our ideas forward. It's a vital tool for turning invention into impact. If Congress doesn't reauthorize the program promptly, many small companies will face unnecessary uncertainty just as prototypes are ready to scale.

If you're an entrepreneur thinking about SBIR, take our lessons. Get trained, build a team, find a champion, talk early to technical points of contact, and get serious about sales. For policymakers and civic leaders in Arizona: Support pathways that help startups bridge prototype to production. Funding is essential, but so are training, facilities and commercialization support.

When SBIR works, soldiers carry better tools and companies like ours get a chance to turn engineering into real-world impact.

Jason Ferguson is president of [W5 Technologies](#), an Arizona-based defense-tech firm that develops rugged portable communications systems.



Image: Jason Ferguson

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