

# Small Business Programs Overview (8(a), SBIR, STTR, WOSB, SDVOSB)

A practical explainer for sales, capture, and leadership teams

Disclaimer: This document is for general awareness only and is not legal advice. Always consult your contracts, legal, and small business experts for definitive guidance on eligibility and certifications.

## 1. WHY SMALL BUSINESS PROGRAMS MATTER TO YOUR STRATEGY

Small business programs are one of the main ways the U.S. Government grows and diversifies its industrial base. For defense-focused companies, they shape:

- Who is allowed to prime or subcontract on certain opportunities.
- How competitions are structured (for example, small business or 8(a) set-asides).
- Which teammates you need to assemble a winning team.
- How agencies meet their statutory small business and socio-economic contracting goals.

If your teams do not understand the basic programs and designations, you will misread opportunity forecasts, misjudge competitors, and overlook strong teaming partners.

This explainer focuses on several programs and designations that frequently show up in defense work:

- 8(a) Business Development Program
- Small Business Innovation Research (SBIR)
- Small Business Technology Transfer (STTR)
- Women-Owned Small Business (WOSB) Federal Contract Program
- Service-Disabled Veteran-Owned Small Business (SDVOSB) Program

## 2. BIG PICTURE: HOW THESE PROGRAMS FIT TOGETHER

At a high level:

- The Small Business Administration (SBA) manages most socio-economic certifications (such as 8(a), WOSB, and SDVOSB) and sets broad goals for federal small business contracting.
- Each federal agency has its own small business office and is graded on how well it meets government-wide goals, including goals for certain socio-economic categories (like 8(a), WOSB, and SDVOSB).

- Contracting officers use tools such as set-asides and sole-source awards to help agencies meet those goals while still getting best value for the mission.

Some programs (8(a), WOSB, SDVOSB) are mainly about who can receive set-aside and sole-source contracts.

Other programs (SBIR and STTR) are focused on funding R&D; and early-stage technology in small businesses, often before traditional production contracts are in play.

For sales and strategy, the key questions are:

- Which customers rely heavily on each program?
- Which designations do your company and partners actually hold?
- How do those designations influence who can prime, who should subcontract, and how deals are structured?

### **3. 8(a) BUSINESS DEVELOPMENT PROGRAM**

Purpose and focus

- The 8(a) Business Development Program is a nine-year program designed to help small businesses

owned and controlled by socially and economically disadvantaged individuals.

- It combines business development support (training, mentoring, joint venture opportunities) with federal contracting advantages (set-aside and sole-source opportunities).

Typical benefits

- Competitive 8(a) set-aside contracts where only eligible 8(a) firms can bid.
- Sole-source contracts up to certain thresholds when justified and appropriate.
- Access to SBA business development resources and potential mentor-protégé relationships.

Eligibility (high level—details change, so always verify current rules)

- Must qualify as a small business under SBA size standards.
- Must be at least 51% owned and controlled by socially and economically disadvantaged individuals who are U.S. citizens.
- Must demonstrate good character, potential for success, and certain net-worth / income thresholds.

### Sales and strategy implications

- If your firm is 8(a)-certified, you may be able to pursue opportunities that are entirely closed to non-8(a) competitors.
- If you are not 8(a), teaming with strong 8(a) partners can be a powerful way to access set-aside work.
- Many agencies publish 8(a) forecasts; tracking them early is crucial for shaping and teaming.

## **4. SBIR: SMALL BUSINESS INNOVATION RESEARCH**

### Purpose and focus

- SBIR is a government-wide program that sets aside a percentage of federal agencies' extramural R&D; budgets for small business innovation.
- It provides non-dilutive, early-stage funding (no equity taken) for R&D; that aligns with agency missions and has commercialization potential.

### Structure (simplified)

- Phase I: Feasibility and proof-of-concept, usually smaller dollar amounts and shorter performance periods.
- Phase II: Full R&D; / prototype development for promising Phase I projects, with larger funding.
- Phase III: Commercialization or follow-on work using non-SBIR funds (for example, production or fielding contracts).

### Who participates

- Multiple agencies, including DoD, NASA, DHS, DOE, NIH, and others, run their own SBIR solicitations under common statutory rules.
- Each agency releases topics describing the problems they want small businesses to solve.

### Sales and strategy implications

- SBIR can be a key entry point for highly technical startups and small firms that are not ready for large production contracts.
- Larger integrators often partner with SBIR awardees later to help scale and field mature technologies.
- Capture teams should watch for SBIR-derived solutions in their markets; they may become competitors, teammates, or acquisition targets.

## **5. STTR: SMALL BUSINESS TECHNOLOGY TRANSFER**

### Purpose and focus

- STTR is closely related to SBIR but emphasizes formal collaboration between small businesses and research institutions (such as universities or federal labs).
- Like SBIR, it funds early-stage R&D; with commercialization potential, but it requires a defined research partner and workshare split between the small business and the research institution.

### Key differences from SBIR (high level)

- Requires a nonprofit research institution partner.
- The small business must still be the prime and must perform a substantial portion of the work, but the research partner also has a required share.

### Sales and strategy implications

- STTR is particularly attractive for companies spinning out technology from universities or labs.
- For defense sales teams, STTR awards can signal which technologies have strong scientific backing and are moving toward transition.

## **6. WOSB: WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM**

### Purpose and focus

- The WOSB Federal Contract Program is designed to give women-owned small businesses better access to federal contracting opportunities and to help agencies meet their goal of awarding at least 5% of federal contract dollars to WOSBs.

### Key elements (simplified)

- WOSB status: For small businesses that are at least 51% owned and controlled by one or more women who are U.S. citizens.
- Economically Disadvantaged WOSB (EDWOSB): A subset with additional economic criteria.
- Contracting tools: Contracting officers can set aside certain requirements for WOSB/EDWOSB firms in specified industries and, under some conditions, make sole-source awards.

### Sales and strategy implications

- WOSB designations can narrow the competitive field and create prime opportunities where only WOSB firms can compete.
- If your company is not WOSB, partnering with qualified WOSB firms can strengthen proposals in agencies and industries with strong WOSB goals.
- Accurate and current certification through SBA processes is critical; self-certification rules have changed over time.

## **7. SDVOSB: SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PROGRAM**

### Purpose and focus

- The SDVOSB program provides federal contracting assistance to small businesses owned and controlled by service-disabled veterans.
- Government-wide, there is a statutory goal that at least 3% of federal contract dollars go to SDVOSB firms, and some agencies have additional initiatives.

### Basic eligibility (high level)

- Must qualify as a small business under applicable size standards.
- Must be at least 51% owned and controlled by one or more service-disabled veterans.
- Service-disabled veterans must manage day-to-day operations and make long-term decisions.

### Contracting mechanics

- Many agencies can issue SDVOSB set-aside and sole-source awards.
- The Department of Veterans Affairs runs the separate “Vets First” program, giving certified veteran-owned and service-disabled veteran-owned firms priority for certain VA contracts.

### Sales and strategy implications

- Certified SDVOSB firms can access opportunities closed to non-SDVOSB competitors, especially in VA and DoD.
- Non-SDVOSB firms should identify and build relationships with credible SDVOSB partners for set-aside work.
- Certification is now centralized through SBA processes; status must be current and verifiable.

## **8. HOW SALES AND CAPTURE TEAMS SHOULD USE THESE PROGRAMS**

### Practical questions to build into opportunity qualification:

#### 1) Is this requirement set aside for a particular category?

- Examples: “8(a) set-aside,” “WOSB set-aside,” “SDVOSB set-aside,” or “small business only.”
- If yes, can your company qualify as a prime under that category? If not, you are probably looking at a subcontract role.

#### 2) Which designations do we and our partners hold?

- Maintain an internal inventory of certifications (small business, 8(a), WOSB/EDWOSB,

SDVOSB, HUBZone, etc.).

- Capture teams should know which partners to call when they see a specific set-aside.

3) Do SBIR/STTR awards matter here?

- Check whether any solution in the space originated from SBIR/STTR.
- Think about whether partnering with SBIR/STTR awardees could strengthen your technical solution or help you enter a new mission area.

4) How do these programs influence competition?

- In set-aside competitions, only firms in that category can prime, which changes who your likely competitors and teammates are.
- On full and open work, socio-economic status can still matter for evaluation factors, subcontracting plans, and past performance.

## **9. QUICK REFERENCE CHEAT SHEET (VERY HIGH LEVEL)**

- 8(a) Business Development Program

\* Who it is for: Small businesses owned and controlled by socially and economically disadvantaged individuals.

\* Main benefit: Set-aside and sole-source contracts plus business development support.

\* Typical use: Broad range of products and services across agencies.

- SBIR (Small Business Innovation Research)

\* Who it is for: Small businesses doing R&D; aligned to agency needs.

\* Main benefit: Non-dilutive early-stage R&D; funding, with commercialization pathway.

\* Typical use: Technology development and prototyping; may lead to Phase III production contracts.

- STTR (Small Business Technology Transfer)

\* Who it is for: Small businesses working with research institutions.

\* Main benefit: R&D; funding that requires and supports formal research partnerships.

\* Typical use: Translating lab or university research into prototypes and products.

- WOSB Federal Contract Program

\* Who it is for: Women-owned small businesses (and EDWOSB subset) in designated industries.

\* Main benefit: Set-aside and sole-source contract opportunities; helps agencies meet 5% WOSB goals.

\* Typical use: Services and products where agencies have identified underrepresentation by WOSBs.

- SDVOSB Program

\* Who it is for: Small businesses owned and controlled by service-disabled veterans.

\* Main benefit: Set-aside and sole-source contracts, plus special priority at VA.

\* Typical use: Broad mix of services and supplies, especially with DoD and VA customers.

## 10. WHAT TO DO NEXT

For leadership and sales teams:

- Build or update an internal map of your company's current certifications and realistic near-term targets (for example, "achieve WOSB certification within 12 months").

- Maintain a vetted bench of small business partners across 8(a), WOSB, SDVOSB, and SBIR/STTR

awardees in your key markets.

- Add simple small-business-program questions to every gate review:

\* What are the set-aside or socio-economic drivers here?

\* Who can credibly prime?

\* Are we missing a strategic partner with the right designation?

- Partner early with your small business office, contracts team, and counsel to ensure you use these programs aggressively but compliantly.

When your teams understand these small business programs at a practical level, you can:

- Qualify opportunities more accurately.

- Build stronger, more compliant teams.

- Help the Government meet its small business goals while growing your own defense business in a disciplined, strategic way.