

Spotlight Event
South by Southwest (SXSW), Capital Factory House 2025
Connecting Dual-Use Innovators to the Defense Ecosystem
March 7–8, 2025

Overview:

Since 2019, the Capital Factory in Austin, TX has housed the Center for Dual-Use Innovation (CDI), formerly known as the Center for Defense Innovation. The CDI's founding members were the Defense Innovation Unit (DIU) and AFWERX. The Center expanded in 2024 to include partners across all military branches. The same year, the NavalX Austin Tech Hub was formed and joined with DIU, AFWERX, and the Marine Innovation Unit (MIU) to open a shared office adjacent to the Army Applications Laboratory (AAL) at the Capital Factory.

For two years, the Austin Tech Hub and the other organizations of the CDI have participated in Capital Factory House. Part coworking space, part networking club, and part convention, Capital Factory House connects innovators to government, academia, and venture capitalists. Capital Factory House attracts entrepreneurs and investors from all over the world by running concurrently with South by Southwest (SXSW), one of the most comprehensive tech conferences in the country.

Event Highlights:

Capital Factory House 2025 connected with over 3,500 startups and small businesses to the defense industry and discussed tools and tips to be successful in SBIR/STTR and small business programs. While panels and exhibitions showcasing innovation continued and was well attended, the planned Navy participation was significantly reduced, due to last-minute challenges federal travel restrictions. Highlights included DoD agencies providing insights on small business funding, AFWERX championing SBIR/STTR for rebuilding the defense industrial base, and DIU's introducing the Blue Manufacturing program aimed at strengthening domestic supply chains. Panels also addressed cybersecurity priorities and mitigation of adversary influence.

Despite the decrease of Tech-Bridge Directors and Navy Leadership support, Austin Tech Hub Director Clay Duarte offered NavalX podcasts, and provided Navy SBIR/STTR program information. The event provided valuable networking sessions and additional opportunities to present and showcase the SBIR/STTR program.

NAVSEA SBIR/STTR Outreach Impact:

There was a strong interest in Navy SBIR/STTR program, despite limited Navy programming. The NAVSEA SBIR/STTR Outreach Team, filled the knowledge gap of Navy representation by answering and clarifying questions such as the Catapult's role in supporting sequential Phase II awards and transition funding. Additionally, directly engaging with small businesses and effectively promoting Navy transition pathways, particularly the Catapult program and NavalX Tech Bridges by fostering alignment with the small businesses and Navy. The outreach visibility and engagement successfully attracted and informed a significant number of small businesses; 133 individuals from 84 organizations, including 66 small businesses.

Conclusion:

Despite DoD travel constraints, Capital Factory House 2025 successfully united a vibrant community of dual-use innovators. The NAVSEA SBIR/STTR Outreach Team leveraged this opportunity to broaden awareness of Navy-specific resources and transition programs. The high interest in Navy engagement underscores the need for more visible Navy representation at future events and a stronger push to communicate the benefits of programs like Catapult.