

## THE DEFENSE-READY SERIES · SPECIAL FEATURE

# The Second Valley of Death

## *Why the Defense Industrial Base's Hardest Gap Isn't the One Everyone's Watching*

By Jerold Hawkins — Founder & Principal Advisor, Summit Line Federal Solutions, LLC

Everyone in defense innovation knows the phrase "valley of death." It's the chasm between a promising technology and a fielded capability — the place where good ideas, starved of funding and a clear transition path, quietly die somewhere between the laboratory and the program of record.

The Department of Defense has built real machinery to bridge it. The Rapid Innovation Fund — recently reorganized under the DoD Office of Small Business Programs and rebranded as the Rapid Integrated Scalable Enterprise (RISE) — exists for exactly this purpose. It takes an innovative technology, often emerging from a SBIR/STTR Phase II effort or a defense laboratory at a technology readiness level of 4, and funds it — on the order of \$3 to \$6 million over as much as three years — to mature toward TRL 8 or 9 and insert into an actual military system. The track record is serious: billions invested, roughly a thousand awards, the overwhelming majority to small businesses. It works.

But there is a second valley of death, and almost no one is funding a bridge across it.

## Clearing the technical bar is not the same as being ready to deliver

Here is the scenario I watch play out. A small, non-traditional manufacturer has genuinely excellent technology. It competes, it wins the award, it matures the technology to TRL 8. On paper, it has crossed the valley of death. And then it stalls — not because the technology failed, but because the *company* was never ready to become a defense supplier.

Its cost accounting can't survive a DCAA review. It has no CMMC posture, so it can't legally hold the controlled information a production contract requires. It has no AS9100 quality management system. It can't demonstrate configuration control or traceability to a prime's satisfaction. It doesn't have the working capital to carry a government payment cycle, or a purchasing system that could pass a Contractor Purchasing System Review. And when a prime asks it to see *through* itself — to show the risk and readiness sitting in its own sub-tier supply base — it has no visibility to offer. Each of those is a hard gate on the path from "our technology works" to "we can be trusted to deliver it, at rate, under contract, inside a weapon system."

That is the second valley of death: not technical readiness, but **transition readiness**. Business readiness. And it kills good technology just as surely as a funding gap does — only later, more expensively, and after everyone assumed the hard part was behind them.

## Why this matters most in Michigan

Nowhere is this more consequential than in southeast Michigan. This is the Arsenal of Democracy — home to the Detroit Arsenal, the tri-county defense corridor, and the largest concentration of ground-vehicle and advanced-manufacturing capability in the country. The region is actively pulling non-traditional companies into the defense base: the newly formed Detroit Regional Defense Coalition, the state's defense and aerospace innovation push, and a demand environment for defense manufacturing that is the strongest it has been in a generation.

The problem is that the very companies the region is working so hard to attract — the commercial manufacturers, the dual-use innovators, the international entrants landing near the corridor — are precisely the ones most exposed to the second valley. They have decades of manufacturing excellence. What they often don't have, yet, is the compliance and business infrastructure a defense contract assumes on day one. Capability was never the question. Readiness is.

## Technical readiness and transition readiness are different disciplines

The uncomfortable truth is that maturing a technology and maturing a supplier are different work — different skills, different timelines, different owners inside the company. You cannot bolt on a compliant cost-accounting system the week before award. You cannot stand up CMMC or a quality management system in the ninety days between a transition decision and a first delivery order. Those things are built deliberately, over time, in parallel with the technology — or they are discovered, painfully, at the gate.

The fronts a supplier has to be ready on are well understood: cost accounting and proposal readiness, cybersecurity, quality management, configuration control, supplier qualification and purchasing-system discipline, program execution, financial capacity, and supply-chain visibility. None of them mature on their own. They mature when someone assesses them honestly, early, against the standard a prime or a program office will actually apply — not the standard the company assumes it already meets.

## The fix is a mindset first, then a method

The companies that clear the second valley treat business readiness as a first-class workstream from the beginning, not a compliance scramble at the end. They get an objective read on where they actually stand — across every one of those fronts — while there is still time to close the gaps. They walk up to the transition gate already knowing the answer, instead of learning it the hard way.

This is the work my firm was built to do: an objective, vendor-neutral read on where a supplier truly stands against the readiness gates, before those gaps surface at first-article, audit, or transition. We assess readiness; we do not supply parts, and we do not certify compliance. That honest-broker posture is the entire point — a supplier needs to hear where it really stands from someone with nothing to sell it but the truth.

## The bottom line

RISE and programs like it have made the first valley of death crossable. The demand signal for defense innovation is louder than it has been in years. But the companies that win in this environment will not simply be the ones with the best technology. They will be the ones that treated their business readiness as seriously as their technical readiness — and started early enough that the second valley never got the chance to stop them.

**The technology race gets the attention. The readiness race decides who actually delivers.**

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*Michigan manufacturers can take the complimentary DXP™ readiness screener and get an instant eight-domain snapshot at **summitlinefederal.com**.*