GAO Highlights

Highlights of GAO-14-748T, a testimony before the House Committee on Small Business

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SMALL BUSINESS INNOVATION RESEARCH

DOD's Program Has Developed Some Technologies that Support Military Users, but Lacks Comprehensive Data on Transition Outcomes

Why GAO Did This Study

DOD relies on its research and development community to identify, pursue, and develop new technologies that improve and enhance military operations and ensure technological superiority over adversaries. The SBIR program is a key mechanism for DOD to use small businesses to meet its research and development needs; stimulate technological innovation; foster and encourage participation by minority and disadvantaged persons in technological innovation; and increase private sector commercialization of innovations derived from federal research and development funding. DOD is the largest SBIR participant in the federal government, with over $1 billion spent annually on the program.

This testimony is based primarily on a report GAO issued in December 2013 and addresses: (1) practices the military departments use to facilitate the transition of SBIR technologies, (2) the extent to which these technologies are successfully transitioning to military users, such as weapon system programs or warfighters in the field, and (3) DOD's efforts to meet fiscal year 2012 NDAA transition reporting requirements. This statement draws from the 2013 report and other work GAO has conducted on technology transition activities in DOD's science and technology programs.

View GAO-14-748T. For more information, contact Marie A Mak at (202) 512-4841 or makm@gao.gov

What GAO Found

Transitioning technologies from defense research and technology development programs, such as through the Small Business Innovation Research (SBIR) program, to military users has been a long-standing challenge for the Department of Defense (DOD). Over the past decade, Congress and DOD have taken several steps to address transition challenges in DOD's SBIR program. For example, the military departments can offer additional SBIR funding to certain awardees to supplement or extend technology development projects in order to move them closer to transition. Additionally, each of the military departments has a network of transition facilitators who work directly with small businesses, military research laboratories, and the acquisition community to foster transition opportunities. Further, in fiscal year 2012, Congress provided federal agencies the opportunity to use more of SBIR funding (up to 3 percent) for program administrative purposes, including activities that facilitate transition. However, at times, promising technologies are not taken advantage of because their potential has not been adequately demonstrated, they do not meet military requirements, or users are unable to fund the final stages of development and testing.

GAO found that DOD's SBIR program has developed some technologies that successfully transitioned into acquisition programs or fielded systems, but the extent of transition is unknown because comprehensive and reliable transition data are not collected. The military departments collect information on selected transition "success stories" on a somewhat ad hoc basis from SBIR program officials, acquisition program officials, prime contractors, or directly from small businesses. In addition to these less formal transition tracking efforts, the military departments use, to varying degrees, two data systems—Company Commercialization Reports and the Federal Procurement Data System-Next Generation—to identify transition results program-wide. While these systems provide high-level commercialization information that the departments use to track progress in achieving overall program goals, the systems have significant gaps in coverage and data reliability concerns that limit their transition tracking capabilities. In addition, the systems are not designed to capture detailed information on acquisition programs, fielded systems, or on projects that did not transition.

The National Defense Authorization Act (NDAA) for fiscal year 2012 directed DOD to begin reporting the number and percentage of SBIR projects that transition into acquisition programs or to fielded systems, among other things. DOD acknowledged that it may need to modify its existing data systems or develop new tools to compile more complete and accurate technology transition data. At the end of 2013, DOD was still assessing how to comply with the new transition reporting requirements, and had not established a specific plan, as GAO had recommended, for how and when it would be able to meet the requirements. In a recent update, DOD officials confirmed that alternatives are still being evaluated and no plan for improving the tracking and reporting of technology transition has been completed. Without better information on technology transition outcomes, questions will remain as to whether the DOD SBIR program is providing the right technologies at the right time to users, using effective approaches to select, develop, and transition technologies, and providing tangible benefits.