

GAO Highlights

Highlights of [GAO-19-511](#), a report to the Ranking Member, Committee on Small Business and Entrepreneurship, U.S. Senate

Why GAO Did This Study

The Army is modernizing its weapon systems to improve its ability to face near-peer adversaries. To consolidate and oversee these efforts, the Army established Army Futures Command. The command plans to work with small businesses to develop innovative capabilities through research and development activities.

GAO was asked how the establishment of Army Futures Command could affect small businesses that support research and development efforts. This report examines, among other objectives, how the command (1) engages with small businesses and coordinates with other Army organizations and (2) plans to track and measure the effectiveness of that engagement.

GAO reviewed the Army's internal analyses of its own modernization efforts; reviewed and analyzed policies and procedures on the command's small business engagement; and interviewed Army officials engaged in modernization efforts as well as two private companies selected because they facilitate Army's work with small businesses.

What GAO Recommends

GAO is making three recommendations including that the Army Futures Command coordinate with relevant Army organizations on small business engagement efforts for research and development; systematically track its small business engagement; and develop command-wide performance measures and a plan to use them to assess the effectiveness of its small business engagement. The Army concurred with all three recommendations.

View [GAO-19-511](#). For more information, contact Jon Ludwigson at (202) 512-4841 or LudwigsonJ@gao.gov.

July 2019

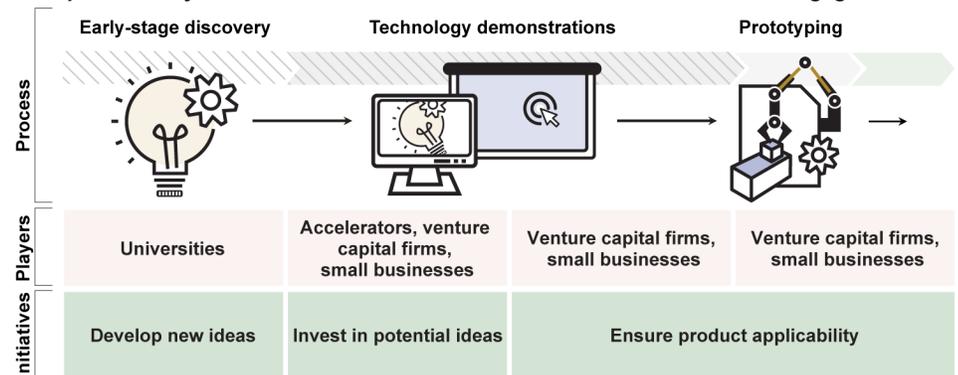
ARMY MODERNIZATION

Army Futures Command Should Take Steps to Improve Small Business Engagement for Research and Development

What GAO Found

Army Futures Command, established in June 2018 by combining several existing Army organizations and expected to be fully operational in July 2019, is engaging with small businesses. The command considers small business engagement critical to its success and officials reported it intends to continue the engagement activities of the organizations that are moving into it such as conducting outreach and awarding contracts. The Army recognizes the importance of small businesses and has awarded \$2.3 billion to hundreds of small businesses from fiscal year 2013 through 2017. The command is also taking initial steps to enhance small business engagement (see figure). Army officials noted that these new efforts are intended to address concerns raised by small businesses in working with the government, such as delays between initial outreach and entering into contracts.

Examples of Army Futures Command Initiatives to Enhance Small Business Engagement



Source: GAO analysis of Army Futures Command documentation. | GAO-19-511

However, the command has not fully leveraged other Army organizations that work with small businesses, such as the Army Office of Small Business Programs. According to command officials, they prioritized setting up the command structure and engaging with small businesses quickly, instead of focusing on coordination. The command has recently been working to improve coordination, but has not formally coordinated such as by establishing agreements with other Army organizations that have small business expertise. Doing so would help Army Futures Command leverage this past experience and avoid missing opportunities to engage with these companies and access innovative research and development.

The command does not track how frequently or in what ways it engages with small businesses for research and development across all command components. Similarly, command officials stated they have considered performance measures to assess the effectiveness of their engagement efforts, but have not yet developed command-wide measures or a plan to assess effectiveness. Tracking and measuring engagement would help ensure the command obtains quality information that may help the Army evaluate, and potentially enhance, its small business engagement.