

GAO Highlights

Highlights of [GAO-25-106856](#), a report to congressional committees

Why GAO Did This Study

DOD established DIU to create new ways for it to acquire commercial technology to solve national security problems. Similar innovation entities also exist in DOD and the military services.

Two congressional reports include provisions for GAO to review DIU's activities for effectiveness in fielding commercial technologies at scale, among other things. This report addresses (1) how DIU has transitioned commercial technologies for military use and the changes it is considering, (2) the extent to which DIU has established a performance management process to assess progress in meeting current and future goals, and (3) what opportunities exist to enhance DIU's collaboration with other DOD innovation organizations to adopt commercial technologies.

To perform this review, GAO reviewed DOD and DIU documentation and data. GAO also selected six higher-dollar-value projects for review representing a mix of DIU technology areas and prototyping stages. We also interviewed DOD and DIU officials.

What GAO Recommends

GAO is making six recommendations to DOD, including that DIU establish performance goals and metrics for DIU 3.0; establish a process to collect, assess, and use performance information for DIU 3.0; and develop and implement a process to assess defense innovation community collaboration. DIU concurred with GAO's recommendations.

View [GAO-25-106856](#). For more information, contact W. William Russell at (202) 512-4841 or russellw@gao.gov.

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DEFENSE INNOVATION UNIT

Actions Needed to Assess Progress and Further Enhance Collaboration

What GAO Found

The Department of Defense (DOD) aims to keep pace with foreign adversaries by quickly adopting commercial technologies. DOD leaders expressed concern that it is not doing so at the speed and scale needed. DOD created the Defense Innovation Unit (DIU) in 2015 to take on these long-standing challenges. In 2023 it announced changes (DIU 3.0) to increase its effectiveness.

DIU established a flexible award process to show that commercial technology can quickly deliver capabilities to the warfighter and is now shifting its focus under DIU 3.0 to address DOD's most critical operational needs. From fiscal years 2016 through 2023, DIU made 450 awards to companies to develop prototypes. DIU reported that 51 percent of completed prototypes transitioned to production. With its new focus, DIU officials said they will use its established process to award prototype agreements that can deliver technologies at scale to meet DOD's most critical needs. DIU will also increasingly work with military services and combatant commands.

Defense Innovation Unit Prototype for Small Class Unmanned Undersea Vehicle



Source: U.S. Navy. | GAO-25-106856

DIU has limited ability to gauge progress toward addressing DOD's most critical needs because it does not yet have a complete performance management process. Such a process defines goals and collects, assesses, and uses evidence to inform decisions. Specifically, DIU has not set performance goals and metrics to assess its progress toward achieving DIU 3.0's strategic goal. Further, DIU officials have not identified which performance information to collect to inform their decisions for DIU 3.0. DIU officials plan to set goals in the future but did not specify when. As DIU attempts to address challenges in adopting commercial technologies within DOD for strategic effect, a robust data-based decision-making process can help DIU leadership know if it is making progress.

Opportunities also exist for DIU to enhance collaboration with other DOD innovation organizations. The Defense Innovation Community of Entities, a newly formed group of DOD innovation organizations, generally incorporated six of GAO's eight leading collaboration practices. But it has not developed and documented how it will assess its progress in meeting its goal of coordinating activities related to commercial technology adoption. Without assessing collaboration, DIU will not know if the group is making progress toward its goal.