



ACCELERATING COMMERCIAL TECHNOLOGY
FOR NATIONAL SECURITY

UNCLASSIFIED

Defense Innovation Unit (DIU) *101*

for
MHSRS

Presenter: CAPT Niels Olson, MC, USN
4 Aug 2026



Mission

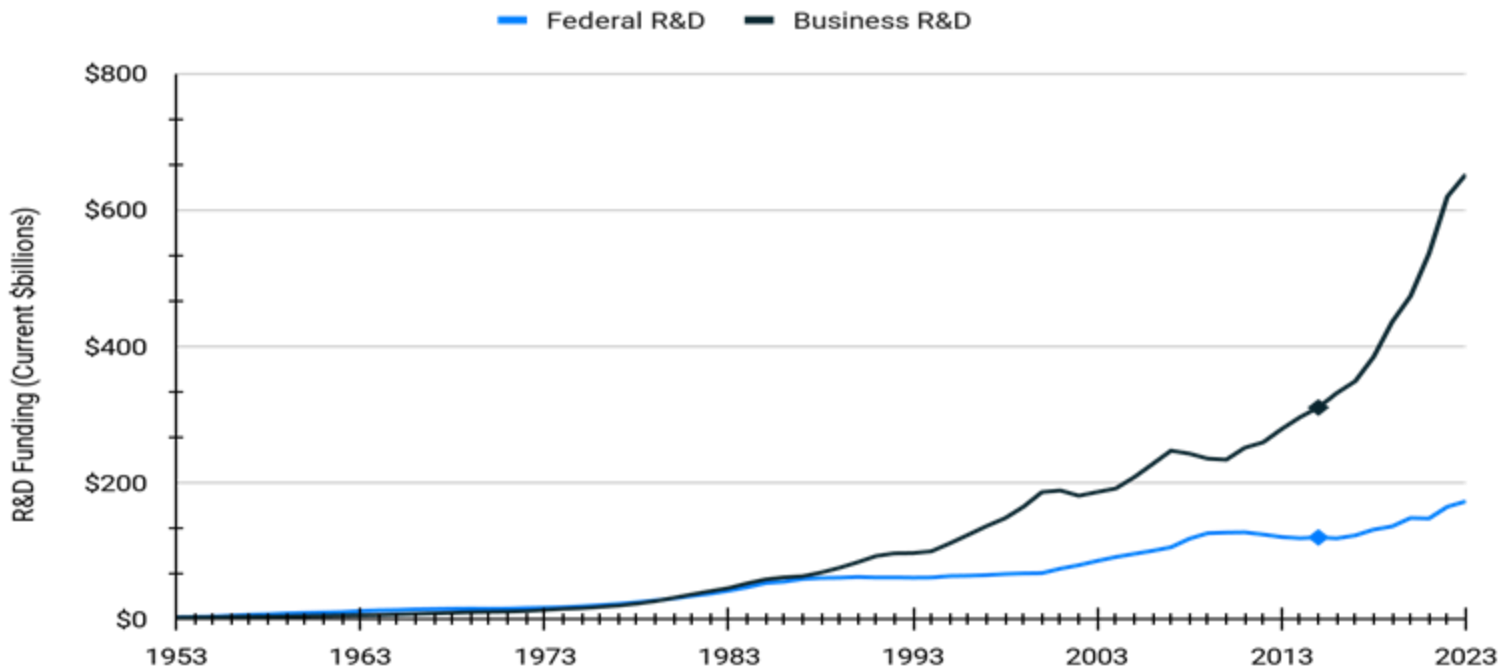
"DIU is the Department's innovation pointman...the primary interface with the non-traditional ecosystem. Its mission is to convert entrepreneurial products into tangible combat power." — Pete Hegseth, 57th Secretary of War





DoW Must Capture Private Innovation

U.S. R&D Expenditures by Source (1953 - 2023)



Source: National Science Foundation, "U.S. R&D Expenditures by Performing Sector and Source of Funds."
The data for 2023 includes estimates.



Business Model: Facilitator

Most important DoD problems



DIU facilitates projects between our DoD partners and commercial companies to prototype, transition, and scale advanced technology.



Qualified DoD vendors



Department of Defense

DIU provides...

- Access to leading commercial technology
- Collaborative prototype process
- Delivery of capabilities in 12-24 months
- Solutions at commercial cost curves



Commercial Companies

DIU provides...

- Opportunity to solve high-impact national security problems
- Simple process and faster time to award
- Access to large volume defense contracts
- Liaison with DoD partner



Commercial Solutions Opening: Execution Framework

**A Compelling
DoW Problem**

**A Viable
Commercial
Solution**

**A Committed
DoW Partner**



- CSO process & Prototype Projects
- Challenges

- Funding support to emerging needs sourced from CCMD/Service Leadership and Funding support to DICE partner

- Aligning DIU projects to hand off to Programs of Record; Partners



NEW USW-RE Critical Technology Areas



Applied Artificial Intelligence



Biomanufacturing



Contested Logistics Technologies



Quantum and Battlefield Information Dominance



Scaled Hypersonics



Scaled Directed Energy



ASW(CT) Michael
Dodd, DIU Alum



Delivering Commercial Solutions Across Technology Portfolios

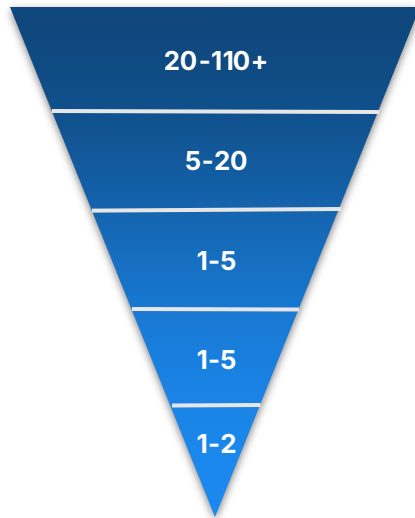
Autonomy	Kill Chains	10x
AI		



Commercial Solutions Opening: Project Lifecycle

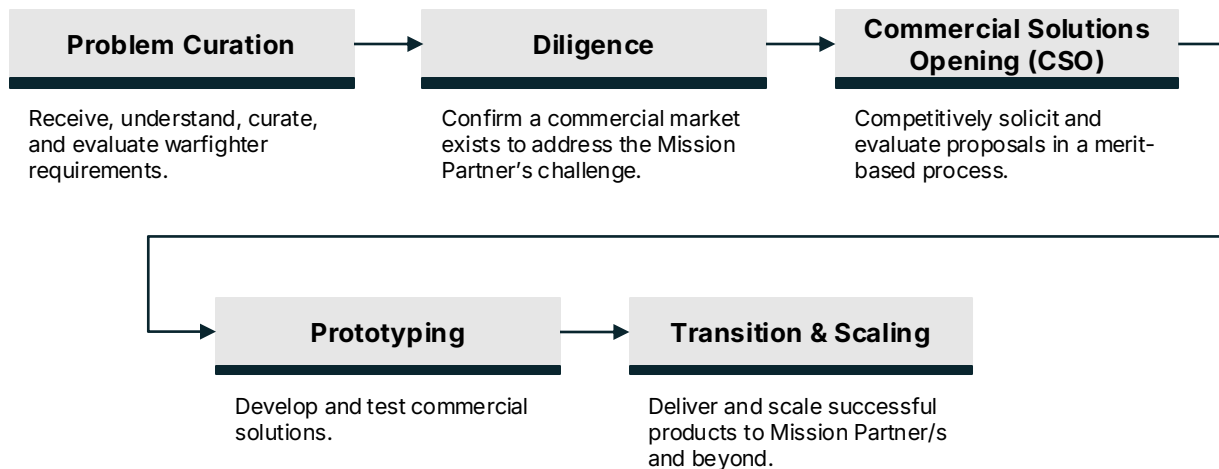
Problem Curation & Diligence	●Receive, understand, and evaluate DoD partner problem ●Confirm commercial market exists to address problem	No Requirements
Commercial Solutions Opening (CSO)	Phase 1 ●Area of Interest posted to diu.mil to solicit digital proposals in response to a problem statement	~10 business days
	Phase 2 ●Evaluate proposals and invite a short list of bidders to pitch	60-90 days to contract award (goal)
	Phase 3 ●Select contract awardee/s and negotiate agreement	
Prototyping	●Execute prototype project	12-24 months
Initial Fielding & Scaling	●Award non-competitive agreement to successful performers ●Deliver & scale solution to transition partner/s	No Re compete FAR Not Req'd

Approximate Number of Vendors Participating





Project Lifecycle



About DIU's CSO

The CSO is a merit-based, competitive process to award Prototype-OT agreements.

- Pioneered by DIU & ACC-NJ in 2016
- Not a consortium
- Simplified process lowers barriers to entry for nontraditional companies

Not all CSOs are the same

- WHS, DIA, GSA, USCYBERCOM, USSOCOM, Dept. of the Air Force, Dept. of the Navy, & Dept. of the Army all have their own CSO



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