European Innovation Council

EIC Innovation Procurement Toolkit:

Module D – Innovation Procurement at the International Level

Country profile 2. The United States

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Introduction

As the world's largest economy, the United States offers vast opportunities for innovative European Small and Medium-sized Enterprises (SMEs) and start-ups looking to expand into a highly competitive and dynamic market. With a projected GDP exceeding $29 trillion[1] in 2024 and a population of over 330 million[2], the U.S. is a global hub for innovation-led industries, including engineering, technology, renewable energy, manufacturing, trade, and healthcare.

This chapter of the **EIC Innovation Procurement Toolkit Module on International Procurement** is designed to equip European SMEs and Start-Ups with the essential knowledge and tools to successfully navigate the **U.S. procurement ecosystem**[3]. Through this guide, businesses will gain:

- **Market intelligence:** Insights into the U.S. procurement landscape, including key national and state-level strategies, major industry players, and emerging opportunities.
- **Regulatory & compliance guidance:** A comprehensive overview of U.S. procurement laws, contracting procedures, certification programmes, and intellectual property (IP) protection.
- **Strategic networking:** Information on identifying and engaging with key buyers, suppliers, and partners in federal, state, and private-sector procurement.
- **Tendering opportunities:** A step-by-step approach to finding, understanding, and applying for public and private contracts, including guidance on navigating **SAM.gov** and state-specific procurement platforms.
- **Operational readiness & risk management:** Practical advice on financial and legal preparedness, cultural considerations, business etiquette, and risk mitigation strategies for market entry.

By leveraging this guide, European SMEs will be better positioned to navigate the complexities of the U.S. procurement system, seize new growth opportunities, and establish a lasting presence in this highly lucrative market.

IMPORTANT NOTE

It is worth noting that the U.S. procurement landscape is subject to **ongoing updates and reforms**, with recent policy shifts under the Trump administration impacting how businesses engage in federal and state-level procurement. Key changes include deregulation in technology and defence procurement, revised federal contracting policies, and evolving standards for AI-driven innovation. Readers are advised to verify the latest updates to this Chapter and to get **professional advice** to ensure compliance and informed decision-making.

1. Is the U.S. market attractive for my company?

Before entering the U.S. market, it is crucial to assess its attractiveness in relation to your business. A comprehensive understanding of the local procurement environment—both public and private—is essential.

1.1 Gather insights for your market research

Successfully entering the U.S. market requires thorough research and a strategic approach. For European SMEs and start-ups, understanding the innovation procurement landscape is essential to assess demand, identify opportunities, and establish a competitive edge. Market demand can be analysed through reports from reputable sources such as the **U.S. Small Business Administration**, **IBISWorld**, and **Statista**, which offer insights into sector growth, emerging trends,

[1] International Monetary Fund, World Economic Outlook (October 2024), https://www.imf.org/external/datamapper/NGDPD@WEO/USA
[2] World Bank, "Total population in the United States (2024 revision)", https://data.worldbank.org/indicator/SP.POP.TOTL?locations=US
[3] Disclaimer: please note that there are ongoing changes to legal considerations and procurement rules in the U.S. Readers are advised to verify the latest updates and regulations to ensure compliance and informed decision-making. Given the dynamic nature of this field, the details presented here may evolve over time.

and technological advancements. Conducting a competitor analysis is equally crucial, as it helps businesses understand key market players' positioning. Platforms like **Crunchbase**, **PitchBook**, and **SEC filings** provide valuable data on funding trends, established competitors, and new market entrants.

Understanding consumer behavior is another fundamental aspect of market research. European companies should explore resources such as the **Pew Research Center** and the **U.S. Census Bureau** to gain insights into purchasing behavior, technological adoption rates, and demographic shifts that may influence market entry strategies. Additionally, compliance with U.S. regulations is critical, as regulatory frameworks vary by sector. Businesses should familiarise themselves with industry-specific requirements established by agencies such as the **Food and Drug Administration (FDA)** for healthcare-related products, the **Federal Trade Commission (FTC)** for consumer protection matters, and the **Federal Communications Commission (FCC)** for technology-based products.

Annex 1 and **Annex 2** to this chapter provide more information on the country's **government and economy**, as well as on its **business culture** with key information to take into account as part of your market entry.

As the new U.S. administration shapes its socio-economic and political policies for 2025 and beyond, several industries are expected to receive prioritised support for foreign investment and innovation. While official policy announcements are still awaited, historical trends and current developments indicate that the following sectors present **promising opportunities** for European SMEs and startups:

- The U.S. is focused on revitalising its **manufacturing sector**, with a particular emphasis on reshoring, automation, and industrial innovation. EU businesses in areas such as robotics, automation technologies, and smart manufacturing solutions may find incentives to partner with U.S. firms or even establish a presence in the market to capitalise on this drive for modernisation.
- The U.S. continues to invest heavily in **technology**, **artificial intelligence (AI)**, cybersecurity, and 5G infrastructure, seeing these as critical for both technological leadership and national security. Opportunities abound for EU firms in sectors such as AI-driven automation, quantum computing, and blockchain technology. For startups working on cutting-edge solutions, the U.S. offers a competitive environment where demand for innovative technologies is strong.
- The U.S. prioritises domestic energy production, but there are still significant opportunities in **infrastructure development**, **natural gas exports**, **nuclear energy**, and certain renewable sectors such as solar, wind, and hydrogen technologies. EU startups focused on sustainable energy solutions or clean technology innovations may find opportunities to engage in joint ventures or government-supported projects.
- With **healthcare and biotechnology** continuing to be a key priority, there is substantial interest in medical devices, pharmaceuticals, and telemedicine. The U.S. market remains one of the largest for biotech products, offering opportunities for European firms, especially those working in personalised medicine, digital health, or biotech research. Collaboration with U.S. firms or participation in U.S.-based healthcare initiatives could be highly beneficial.
- **Infrastructure development** is another focus area, creating opportunities in construction, urban planning, and transportation technologies. Startups with innovative solutions in smart city technology, data analytics for urban planning, or sustainable infrastructure development may find growing demand for their expertise, particularly through public-private partnerships.
- Strengthening the U.S. **defence sector** is a national priority, with a specific focus on **aerospace innovation**, space technology, and defence-related AI. EU businesses with expertise in these areas may find opportunities to collaborate on high-tech projects, although it is important to be aware of the regulations surrounding national security and defence exports.
- **Agricultural innovation**, particularly in precision farming, automation, and sustainable practices, is receiving increased attention. The U.S. is keen on adopting advanced AgTech solutions to modernise its agricultural sector, creating opportunities for EU firms specialising in farming technologies, automation, and sustainability to engage in partnerships or joint ventures.

As the U.S. focuses on sectors that align with its goals of economic growth, technological leadership, and innovation, European SMEs and startups have significant opportunities to invest, collaborate, and expand into the U.S. market. To successfully tap into these opportunities, it's essential to stay informed on policy changes, explore potential partnerships with U.S. firms, and ensure compliance with relevant U.S. regulations.

1.2 Key national strategies and policies

Several national strategies and policies in the U.S. have a direct impact on innovation procurement, and European SMEs and start-ups must ensure that their business objectives align with these initiatives to capitalise on the opportunities they present. Below are key national strategies and policies to consider:

- The **CHIPS and Science Act (2022)** supports semiconductor innovation and manufacturing, aiming to promote domestic production in the U.S. and reduce the nation's reliance on foreign suppliers. It creates a competitive environment for companies that can offer cutting-edge technological solutions.
- The **Infrastructure Investment and Jobs Act (2021)** has allocated over $1 trillion[4] to improve U.S. infrastructure development, covering sectors such as transport, energy, and digitalization. It presents significant opportunities for innovative European companies, particularly those involved in green technologies or digital solutions, to collaborate and grow in the U.S. market.
- The U.S. federal government's programmes such as the **Small Business Innovation Research (SBIR)** and **Small Business Technology Transfer (STTR)** offer funding and support for small businesses engaged in research and development (R&D), particularly those focusing on pioneering technologies. European start-ups looking to commercialise innovations in the U.S. market can leverage these programmes, provided they meet eligibility.
- The **Buy American Act (1933)** established the foundation for U.S. federal procurement policy, requiring government agencies to prioritise American-made products and materials. European businesses seeking U.S. contracts must ensure their goods comply with these domestic sourcing requirements, which typically restrict the use of foreign-made products. However, certain exemptions exist, including **waivers under the Trade Agreements Act**, nonavailability determinations, and public interest exceptions, which may permit the use of foreign-produced goods in specific circumstances.
- The **Biden Administration's Buy American Initiative (2021)** builds upon the Buy American Act, strengthening its provisions by raising the minimum percentage of U.S.-made content required for products in federal contracts. European businesses face increased pressure to meet these stricter domestic content thresholds when competing for public sector projects.
- The **Trade Agreements Act (TAA)** complements these regulations by providing exceptions to the Buy American requirements for certain countries with trade agreements with the United States. European companies must ensure their products comply with both the Buy American Act (as reinforced by Biden's initiative) and the TAA when pursuing U.S. government procurement opportunities.
- The **National AI Initiative Act (2020)** coordinates AI research and development across federal agencies with the goal of maintaining U.S. leadership in AI technologies. European companies in the AI sector may find opportunities for collaboration, funding, and participation in U.S.-led AI projects.
- The **Energy Act (2020)** facilitates the development of clean energy technologies, focusing on reducing carbon emissions and enhancing U.S. energy security. European SMEs and start-ups in renewable energy and clean tech sectors can explore procurement opportunities in the U.S. as part of the U.S.'s transition to a more sustainable energy future.
- The U.S government has placed strong emphasis on enhancing **Cybersecurity and Infrastructure Security Agency (CISA) Policies**, particularly for critical infrastructure. European companies providing innovative cybersecurity solutions can tap into government contracts that require secure technologies.
- The **Uniform Guidance** regulations that apply to State entities include:
    - 2 CFR § 200.317 Procurements by States;
    - 2 CFR § 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms;
    - 2 CFR § 200.322 Domestic preferences for procurements, including compliance with the Buy American Act as required by 41 U.S. Code chapter 83;
    - 2 CFR § 200.323 Procurement of recovered materials;
    - 2 CFR § 200.327 Contract provisions;
    - 2 CFR § Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

[4] U.S. Department of transportation, "Bipartisan infrastructure law", 2023, https://www.phmsa.dot.gov/legislative-mandates/bipartisan-infrastructure-law-bil-infrastructure-investment-and-jobs-act-iija#:~:text=The%20Infrastructure%20Investment%20and%20Jobs,%22new%22%20investments%20and%20programs

To fully comprehend the procurement landscape, it is essential to understand the broader regulatory framework that governs how procurement contracts are awarded in the U.S. For instance, **public procurement** in the U.S. is primarily regulated by the **Federal Acquisition Regulation (FAR)**, which is the set of rules governing the procurement process for federal government contracts. The FAR ensures that the procurement process is fair, transparent, and consistent, with a focus on providing value for taxpayers while promoting competition and integrity in government contracting. Notably, **FAR Part 25** specifically addresses Foreign Acquisition policies, while Subpart 25.1 outlines the Buy American laws and executive orders, which may have implications for EU SMEs and start-ups. Various government agencies, such as the **General Services Administration (GSA)** and the **Department of Defence (DoD)**, oversee specific procurement activities, and these agencies adhere to the FAR guidelines when awarding contracts. In addition to federal procurement, **state and local government procurement** also have their own sets of rules, but they are generally influenced by federal standards. European companies seeking to engage in public procurement across various U.S. states must familiarise themselves with the specific requirements for each jurisdiction.

On the other hand, **private sector procurement** in the U.S. is largely unregulated by the federal government. It operates within a market-driven framework where individual companies establish their own procurement policies and procedures. While private businesses are not required to follow the same stringent regulations as government entities, they must still comply with general business laws and regulations, such as those concerning fair competition and anti-corruption practices. However, there are industry-specific regulations, such as those governing procurement in the healthcare, finance, and energy sectors, which may impose additional requirements. Trade associations and industry groups may also offer guidelines to help companies navigate procurement in specific sectors.

1.3 Establish the right market entry strategy for your business

For European SMEs and start-ups, the right market entry strategy will depend on several factors such as the nature of the business, available capital, and regulatory considerations. One of the most straightforward approaches is direct **exporting**. By selling products directly from the EU to the U.S., businesses can reach new customers with relatively low initial investment. However, this method requires careful attention to U.S. import regulations, tariffs, and certification requirements, which can vary depending on the industry. Additionally, companies will need to manage logistics, distribution, and ensure compliance with relevant U.S. standards.

Another option for SMEs looking to expand in the U.S. is establishing a **U.S. subsidiary**. Setting up a physical presence provides a stronger foothold in the market, facilitating access to funding opportunities, government contracts, and tax incentives while also enhancing brand recognition and fostering relationships with local customers and partners. This can be particularly valuable for companies looking to work with U.S. government and the DoD. Specifically, establishing a U.S. subsidiary can help with compliance for complex regulation like the **National Industrial Security Program Operating Manual (NISPOM)** and with establishment of a **Special Security Agreement (SSA)**. However, this process requires careful planning, particularly when choosing the appropriate legal structure, such as a limited liability company (LLC) or a corporation and navigating the complexities of U.S. tax and labour laws. For European SMEs, an additional challenge lies in selecting the most suitable state for their business, as each has its own regulatory framework, tax policies, and incentives. Seeking guidance from legal and financial advisors can help ensure a smooth and strategic expansion.

Partnering with a **U.S.-based distributor** or forming **strategic partnerships** is another effective strategy for market entry. This approach allows European SMEs to leverage local expertise while maintaining control over their product or service. By working with a distributor, companies can benefit from their established distribution channels, marketing experience, and customer insights. This partnership can also help mitigate risks by sharing the responsibilities of inventory management, sales, and compliance with local regulations. However, selecting the right partner is crucial, as a trusted partner can make or break a market entry strategy. It's important to carefully vet potential distributors or partners to ensure they align with the company's values and long-term objectives.

For those seeking quicker access to the U.S. market, **mergers and acquisitions (M&A)** offer an opportunity to acquire an existing business with an established customer base. M&A can provide immediate market access, brand recognition,

and operational infrastructure. It also reduces the time and effort required to build a new presence in the market. However, this route requires significant capital investment and careful due diligence. It is essential to ensure the target company aligns with the business's strategic goals and does not have any hidden liabilities or risks.

Alternatively, **franchising** or **licensing** can provide a scalable method for entering the U.S. market, especially for businesses in sectors such as retail, food service, or technology. Through franchising, a business can expand quickly by allowing local entrepreneurs to replicate its business model. Licensing, on the other hand, enables SMEs to monetise their intellectual property or products by allowing a U.S. company to use their technology or branding. Both methods allow businesses to expand with lower financial risk, but they do require careful contract negotiation and oversight to ensure that the terms are mutually beneficial.

Choosing the most suitable market entry strategy requires a clear understanding of your business goals, available resources, and the specific challenges of the U.S. market. It is advisable to seek **strategic and legal advice** to explore which of the above scenarios is best suited to your business needs. Professional guidance can help identify potential risks, ensure regulatory compliance, and optimise your expansion strategy. Additionally, existing **EU soft-landing programmes** can offer valuable support for SMEs and start-ups looking to establish a presence in the U.S. market. The following section provides more information on these programmes.

2. Is my company legally prepared to comply with the U.S. market requirements?

The U.S. legal system mandates compliance with a wide range of regulations covering procurement, certification, intellectual property, and labour practices. These requirements are crucial for businesses seeking to operate successfully in both the public and private sectors.

2.1 Innovation procurement in the U.S.

The U.S. has a notable history of using procurement to drive innovation, with government agencies playing a central role in funding R&D in key sectors like defence, technology, and energy. Notable examples include NASA and the Department of Defence, which have historically supported the development of technologies such as GPS, the internet, and advanced computing systems through procurement initiatives.

The **Bayh-Dole Act** of 1980 allowed universities and private companies to retain ownership of federally funded research, accelerating the commercialisation of new technologies. This fostered a closer link between public-sector research and the private sector, creating a fertile ground for innovative SMEs and start-ups. In addition, **SBIR** and **STTR programmes** provide small businesses with federal funding for high-risk, high-reward innovation projects, making these schemes a vital entry point for EU SMEs looking to engage with the U.S. market.

In the 21st century, the U.S. government has shifted to more flexible contracting mechanisms, such as **Other Transaction Agreements (OTAs)**, which enable faster collaboration with the private sector, especially in technology and defence industries. For EU SMEs and start-ups, understanding these procurement mechanisms and leveraging government contracts in areas like AI, cybersecurity, and renewable energy presents a valuable opportunity to access the U.S. market and scale innovative solutions.

2.2 Regulatory landscape

For EU SMEs and start-ups aiming to enter the U.S. market, understanding the regulatory environment is crucial for successfully navigating both public and private procurement. The US operates under a decentralised system with federal, state, and local regulations, each imposing distinct requirements and procedures. Compliance with these regulations can impact market entry, competitiveness, and the ability to secure contracts.

2.2.1 Public sector procurement

Public procurement refers to the process by which government entities—at the federal, state, and municipal levels—acquire goods, services, and infrastructure. This sector plays a significant role in the US economy, with federal procurement alone exceeding $700 billion annually[5]. Given its scale and impact, public procurement is tightly regulated to ensure transparency, competition, and efficiency.

Public sector procurement in the US follows a structured process, governed by laws and regulations that vary by jurisdiction. At the federal level, procurement is primarily regulated by the Federal Acquisition Regulation (FAR), which outlines the principles and procedures for acquiring goods and services. Additionally, specific agencies may have their own supplemental regulations, such as the Defence Federal Acquisition Regulation Supplement (DFARS) for defence-related procurements.

Key aspects of federal procurement include:

- **Technology and innovation programmes**: Agencies such as the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programmes provide funding opportunities for innovative companies.
- **Security and compliance requirements**: Many contracts, particularly in defence and critical infrastructure, require compliance with cybersecurity standards like NIST 800-171 and CMMC (Cybersecurity Maturity Model Certification).
- **State and local procurement**: Each U.S. state has its own procurement rules, and municipalities may have additional requirements. Understanding local procurement processes can unlock opportunities outside federal contracts. For instance, each state and most cities publish business advice on their websites, which are valuable resources for discovering the differences across public entities. It is worth noting that federal laws supersede state law where applicable policies conflict.
- **Small business set-asides**: The U.S. government allocates a portion of contracts for small businesses, including those owned by women, veterans, and disadvantaged groups. To qualify for these opportunities, EU SMEs may need to establish partnerships with U.S. entities. However, there are indications that these set-asides may be discontinued under the current administration. While no official guidance has been issued, recent discussions suggest that the significance of this policy may diminish in the short to medium term. It is therefore advisable to monitor developments closely and adjust strategic priorities accordingly.

2.2.2 Private sector procurement

Private sector procurement in the US is highly competitive and varies across industries. Unlike public procurement, it is not subject to a single regulatory framework but is influenced by industry standards, corporate policies, and commercial best practices. Large corporations, technology firms, and multinational companies often seek innovative solutions from SMEs and start-ups through open innovation programmes, supplier diversity initiatives, and venture partnerships.

Key considerations for private sector procurement include:

- **Contracting standards**: Unlike public procurement, private sector agreements are governed by contractual negotiations. Businesses should be prepared to meet terms related to liability, intellectual property rights, and data security.
- **Regulatory compliance**: Certain industries, such as healthcare (HIPAA compliance), finance (SEC regulations), and technology (data privacy laws like CCPA), require adherence to strict compliance standards.
- **Corporate procurement portals**: Many corporations use supplier registration portals where SMEs can submit their profiles and bid for opportunities. Establishing relationships with procurement officers can enhance visibility.

[5] U.S. Government Accountability Office, "A snapshot of government – wide contracting for FY 2023", 2024, https://www.Agao.gov/blog/snapshot-government-wide-contracting-fy-2023-interactive-dashboard#:~:text=These%20contracts%20are%20used%20to,2022%20after%20adjusting%20for%20inflation.

- **Partnership and investment opportunities**: Innovation-focused firms often collaborate with start-ups through accelerator programmes, venture capital funding, or joint development initiatives.

2.3 Certification schemes

In the United States, certification schemes play a crucial role in both public and private sector procurement, particularly in fostering innovation and ensuring compliance with regulatory and security requirements. These certifications help businesses demonstrate credibility, meet procurement criteria, and gain access to lucrative contracts.

Public sector certification schemes

- **Small business administration (SBA) certifications:** The U.S. government offers various certifications to promote the participation of small and disadvantaged businesses in federal procurement:
    - 8(a) Business Development Programme – Supports businesses owned by socially and economically disadvantaged individuals, providing preferential access to government contracts.
    - HUBZone Certification – Benefits businesses operating in Historically Underutilised Business Zones by granting them priority in federal contracting.
    - Women-Owned Small Business (WOSB) and Economically Disadvantaged WOSB (EDWOSB) Certifications – Enhance opportunities for women entrepreneurs in federal procurement.
    - Service-Disabled Veteran-Owned Small Business (SDVOSB) Certification – Facilitates government contracting for veteran-owned businesses.
- **Cybersecurity maturity model certification (CMMC):** Required for organisations bidding on contracts with the Department of Defence (DoD), this certification ensures compliance with strict cybersecurity standards for handling sensitive government data.
- **General services administration (GSA) schedule certification**: A GSA Schedule contract enables businesses to sell goods and services directly to government agencies through a pre-approved procurement framework, streamlining the purchasing process.
- **National Institute of Standards and Technology (NIST) compliance**: NIST compliance, particularly NIST 800-171, is essential for government contractors dealing with Controlled Unclassified Information (CUI), ensuring stringent data security and privacy measures.
- **Federal risk and authorization management programme (FedRAMP)**: Cloud service providers seeking to supply federal agencies must obtain FedRAMP certification, demonstrating adherence to rigorous cybersecurity and risk management requirements.

Private sector certification schemes

- **ISO certifications**
    - ISO 27001 (Information Security Management) – Recognised across industries, this certification assures businesses and clients of robust information security controls.
    - ISO 9001 (Quality Management Systems) – Demonstrates a commitment to high-quality processes and continuous improvement, often a requirement in private-sector procurement.
- **SOC 2 (service organisation control 2) certification**: Frequently required in the technology and cloud computing sectors, SOC 2 certification ensures a company's data security policies align with industry best practices, making it a key factor in private-sector procurement decisions.
- **Corporate supplier certification programmes**: Many large corporations require suppliers to meet specific standards. Examples include:
    - Intel's Supplier Continuous Quality Improvement (SCQI) Programme – Ensures quality and innovation in supplier engagements.
    - Amazon's Supplier Code of Conduct Compliance – Mandates ethical sourcing and operational integrity from suppliers.
- **Environmental and sustainability certifications**: As sustainability becomes a critical factor in procurement, certain certifications are highly valued:
    - LEED (Leadership in Energy and Environmental Design) Certification – Recognised in infrastructure and construction projects for sustainable building practices.
    - Energy Star Certification – Required for energy-efficient products and technologies in both public and private procurement.

- **Supplier diversity certifications**: Many private-sector companies prioritise diversity in their supply chains, making these certifications advantageous:
    - National Minority Supplier Development Council (NMSDC) Certification – Recognised by Fortune 500 companies to support minority-owned businesses.
    - Women's Business Enterprise National Council (WBENC) Certification – Facilitates access to corporate supply chains for women-owned enterprises.

2.4 Intellectual property (IP) protection

Intellectual property (IP) protection is a crucial consideration for EU SMEs and start-ups looking to engage in U.S. innovation procurement. Whether bidding for public sector contracts or entering private-sector partnerships, understanding how IP is regulated and protected under US law is essential to safeguarding proprietary technology and maintaining competitive advantage.

2.4.1 How EU SMEs and start-ups fall under U.S. IP regulations

EU businesses involved in the U.S. market—either by entering into procurement agreements with U.S. entities such as government agencies or corporations, or by participating in U.S.-based funding programmes—are required to adhere to U.S. IP laws. This means that any EU company conducting business in the U.S. falls under the **jurisdiction of U.S. regulations**. In such cases, intellectual property rights are governed by the terms of the specific contract and the applicable US laws, superseding the protections offered by EU regulations.

One of the most critical aspects of IP rights for EU businesses engaging in the U.S. market is the **contractual agreements** they enter into. Whether negotiating with U.S. government agencies or private corporations, EU SMEs and start-ups must carefully negotiate the terms surrounding IP ownership, licensing, and usage rights. These agreements will often dictate the extent of the IP protections afforded to the EU company, and they may be required to adjust their approach to retain control over their innovations. For instance, IP ownership and the terms of any potential licensing arrangements are usually subject to the negotiated contract, potentially granting U.S. entities certain rights over the EU company's intellectual property.

The U.S. follows a **'first-inventor-to-file' system**, which replaced the previous 'first-to-invent' model for patent applications filed on or after 16 March 2013 under the **America Invents Act**. This system is more closely aligned with the EU's 'first-to-file' approach, granting patent rights to the first inventor who files a patent application with the United States Patent and Trademark Office (USPTO), rather than the first to conceive the invention. The Act also expanded the definition of prior art used in determining patentability. Public use, sales, publications, and other disclosures available to the public anywhere in the world before the filing date can now prevent patentability, unless the disclosure was made by the inventor within one year of filing (the 'publication-conditioned grace period'). Notably, the law also broadened prior art to include foreign offers for sale and public uses. As applicants who do not publish their inventions before filing receive no grace period, EU businesses seeking patent protection in the U.S. must prioritise early filing to secure their rights. Given these changes, EU SMEs and start-ups should adapt their patent strategies accordingly to remain competitive in the U.S. market.

EU businesses developing innovative technologies, particularly those involving sensitive or dual-use technologies, may also face additional challenges in complying with US export controls. The U.S. enforces stringent regulations such as the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), which govern the export of certain technologies, including those that may have military or dual-use applications. For SMEs and start-ups in the EU working with defence-related innovations, these regulations require careful management of **data and technology transfers** to ensure compliance with U.S. export control laws. Failure to comply with these laws can result in significant legal and financial penalties, as well as restrictions on future collaborations or market access.

2.4.2 IP protection in public sector procurement

EU SMEs and start-ups participating in U.S. public procurement must adhere to the Federal Acquisition Regulation (FAR) and, for defence-related contracts, the Defence Federal Acquisition Regulation Supplement (DFARS). Under the Bayh-Dole Act, if an EU business receives federal funding, such as through research grants or the Small Business Innovation

Research (SBIR) programme, the U.S. government retains a non-exclusive licence to use the innovation. Moreover, innovations developed under federally funded contracts may be subject to U.S. government "march-in rights", which allow the government to use or license the technology to third parties if the contractor does not commercialise it effectively. EU companies awarded federal contracts are also required to disclose inventions to the U.S. government and ensure they file for patent protection within a specified timeframe.

The U.S. government may claim "unlimited rights" over innovations that are developed entirely with federal funding, while "limited rights" apply when the contractor contributes private investment. To safeguard trade secrets, EU SMEs should utilise restrictive **data rights clauses** to prevent excessive disclosure of proprietary information. Furthermore, the Defend Trade Secrets Act (DTSA) provides additional legal protections, reinforcing safeguards for businesses engaged in US federal procurement contracts.

2.4.3 IP protection in private sector procurement

In private sector procurement, IP protection is principally governed by contractual agreements. As such, SMEs based in the EU must negotiate favourable terms when entering into agreements with corporations in the U.S.

Ownership and licensing agreements represent critical components of these negotiations. Numerous large U.S. corporations insist upon ownership of any IP developed under supplier contracts. It is therefore essential for EU businesses to retain licensing rights or establish non-exclusive arrangements, thereby ensuring continued control over their proprietary technologies.

Non-disclosure agreements (NDAs) must be carefully crafted to comply with U.S. legal requirements, thereby safeguarding against the unauthorised use or disclosure of proprietary information. Adherence to the relevant legal frameworks will help prevent disputes and mitigate risks associated with the misappropriation of intellectual property. Special attention must be given to work-for-hire clauses. Such provisions often stipulate that IP ownership automatically transfers to the contracting U.S. company, unless explicitly negotiated otherwise. SMEs from the EU should remain diligent in reviewing contractual terms to prevent unintended transfers of ownership.

Securing patent protection in the United States necessitates filing with the **United States Patent and Trademark Office (USPTO)**. EU businesses must be mindful of the differences in grace periods between U.S. and European patent regimes, as failure to align with these variations may jeopardise patent rights. The Uniform Trade Secrets Act (UTSA) provides a standard framework for the protection of trade secrets across various U.S. states, complemented by the Defend Trade Secrets Act (DTSA), which enables federal-level enforcement. These legal instruments are vital in safeguarding confidential business information.

Many U.S. corporations incorporate intellectual property compliance requirements within their procurement processes. As such, EU businesses seeking to engage as suppliers must ensure adherence to these corporate IP policies in order to secure and maintain commercial partnerships within the U.S. market.

2.4.4 Key recommendations

To ensure effective IP protection when participating in innovation procurement within the U.S., EU SMEs and start-ups should adopt a strategic approach. It is essential to **seek legal counsel** at an early stage by engaging experienced U.S. legal professionals who can provide guidance on federal procurement regulations, contract negotiations, and the intricacies of U.S. patent law. Obtaining legal advice at the outset will enable businesses to navigate complex legal frameworks and safeguard their IP effectively.

Prior to entering negotiations with U.S. government agencies or private corporations, EU SMEs should **secure patent protection** in the U.S. Filing for a US patent at an early stage ensures that innovations are legally protected and mitigates the risk of unauthorised use or infringement.

During contract negotiations, it is crucial to establish robust contractual terms that prioritise the **retention of IP ownership** wherever possible. Licensing agreements should be carefully structured to preserve the rights of the innovator, while non-disclosure agreements (NDAs) and restricted data rights clauses should be employed to safeguard trade secrets and proprietary information.

Compliance with US regulations is another critical aspect of IP protection. EU businesses must familiarise themselves with relevant export control laws, cybersecurity requirements, and data protection regulations that could impact their intellectual property. A thorough understanding of these legal frameworks will help mitigate potential risks and ensure adherence to regulatory obligations.

Furthermore, EU SMEs may utilise the **European IP Helpdesk**, a first-line IP service providing free-of-charge support to assist European SMEs of EU-funded research projects in managing their IP in the context of transnational business or EU research and innovation programmes. This platform offers practical guidance on IP matters, and those with specific IP-related queries may submit their questions through their **website**. By adopting these measures, EU SMEs and start-ups can enhance their ability to protect their intellectual property while successfully engaging in innovation procurement within the U.S.

3. Who are the key buyers, suppliers and potential partners in the U.S.?

Identifying and understanding the key buyers in the U.S. is crucial for businesses aiming to target the most relevant procurement opportunities. The market is primarily divided into public-sector buyers and private-sector buyers, each offering distinct opportunities and requirements.

3.1 Public sector buyers

In the U.S., public sector buyers consist of a variety of government agencies at the **federal, state, and local levels**, each responsible for procuring innovative technologies, services, and products to meet specific needs in areas such as defence, healthcare, infrastructure, and public safety. Major buyers, such as the Department of Defence (DoD), NASA, and the Department of Energy (DOE), drive procurement in specialised sectors like national security, space exploration, and energy. Additionally, agencies such as the General Services Administration (GSA) and the Department of Health and Human Services (HHS) purchase a broad range of products, from IT solutions to healthcare technologies. These agencies invest billions annually in innovation, providing opportunities for EU SMEs and start-ups to enter the U.S. market, especially in emerging fields like clean energy, cybersecurity, and digital transformation.

In the U.S., public procurement accounts for approximately **10-15% of GDP**[6], with **federal government** procurement representing **60-65%** of the total expenditure. The **state governments** contribute around **20-25%**, focusing on areas like education, healthcare, and local infrastructure. Meanwhile, **local governments** account for approximately **15-20%**, with spending directed towards urban development, public safety, and local services. Together, these procurement activities highlight the significant role the public sector plays in driving economic activity and innovation.

Here below is an overview of some of the most important **public buyers** in the U.S.

Table 1: Key Public buyers in the U.S.[7]

Public buyer name	Description
Department of Defence (DoD)	The Department of Defence (DoD) remains the largest purchaser of government contracts in the United States, allocating over $600 billion annually to defence-related technologies. Its procurements span a wide range of advanced military systems, cybersecurity, aerospace technology, artificial intelligence, and more.

[6] Office of the United States Trade Representative, https://ustr.gov/issue-areas/government-procurement#:~:text=A%20longstanding%20objective%20of%20U.S.,percent%20of%20a%20country's%20GDP.

[7] Please note that the key public buyers mentioned in this table can be found on **SAM.gov**, where they publish public innovation procurement tenders.

	Prominent buyers within the DoD include DARPA and the Defence Innovation Unit (DIU). However, there is a noticeable trend in the evolving role of DIU, with its direct involvement in **purchasing contracts being gradually de-emphasised**. Instead, it appears set to transition into a more advisory capacity, offering support to procurement efforts within the various service branches. While this shift is still in its nascent stages, it remains crucial to keep an eye on the situation, particularly in light of the ongoing interest in DIU procurement opportunities. Despite this change, the DoD continues to award contracts, albeit with a potentially shifting focus towards internal branch-led procurement.
NASA	Purchases cutting-edge space and aerospace technologies, including satellite systems, propulsion, and robotics. NASA's procurement through the Innovative Partnerships Programme (IPP) and SBIR/STTR funds significant innovation. Estimated annual spend: $20 billion.
Department of Energy (DOE)	Focuses on energy-related innovations, including renewable energy technologies, energy efficiency, nuclear research, and clean energy solutions. Through ARPA-E and EERE, the DOE invests over $30 billion annually.
General Services Administration (GSA)	Purchases a wide variety of IT solutions, services, and products across federal agencies. Responsible for GSA Schedule Contracts and programmes like 18F and TTS for digital transformation. Annual spending: $60 billion.
Department of Health and Human Services (HHS)	Purchases healthcare technologies, medical devices, public health systems, and data solutions. Through NIH, BARDA, and SBIR/STTR, HHS spends over $30 billion annually to advance healthcare innovation.
Department of Homeland Security (DHS)	Purchases innovations in cybersecurity, counterterrorism, emergency management, surveillance, enforcement systems, and infrastructure protection. Significant buyers include S&T Directorate and CISA, with spending of around $50 billion annually.
U.S. Department of Transportation (DOT)	Purchases transportation infrastructure solutions, smart transportation systems, and autonomous vehicle technologies. Investments target safety, efficiency, and modernisation of transportation. Annual spending: $90 billion.
Environmental Protection Agency (EPA)	Purchases clean energy technologies, pollution monitoring systems, and environmental protection tools. Focuses on climate adaptation, air and water quality monitoring. EPA's annual procurement spend is around $8 billion.
State and local governments	Significant buyers for urban development, smart city initiatives, public safety, education, and health systems, with each state or city having distinct procurement needs. Total annual state and local spending exceeding $2 trillion, presenting substantial potential for investment and partnerships. In addition, clean energy and environmental sustainability initiatives are becoming increasingly prominent at the state level, with such projects emerging across state and local markets. Furthermore, smart transportation solutions are gaining momentum and are expected to continue expanding within these sectors.
U.S. Department of Veterans Affairs (VA)	Procures advanced healthcare technologies and services for veterans. Focus areas include medical equipment, electronic health records, and telemedicine. Annual spending: $20 billion.

3.2 Private sector buyers

Here are some of the largest **private sector companies** in the United States that play a major role in innovation procurement, leveraging advanced technology and strategic sourcing to drive efficiency, cost savings, and innovation across industries.

Table 2: Examples of Private buyers in the U.S.

Private buyer's name	Description
Walmart	As one of the largest retailers in the world, Walmart uses innovation procurement to improve its supply chain management, enhance customer experience, and implement cutting-edge technology such as automation and AI for inventory and logistics.
Tesla	Tesla is at the forefront of innovation procurement, sourcing cutting-edge technologies to build its electric vehicles and energy solutions. They frequently procure AI, battery technologies, and autonomous vehicle solutions.
Apple	Apple is known for its strong emphasis on innovation, procuring the latest in hardware, software, and cutting-edge manufacturing technologies to maintain its competitive edge in the consumer electronics market.
Google (Alphabet)[8]	Google procures advanced technologies, particularly in AI, cloud computing, and data analytics, to support its vast infrastructure, AI research, and new product development.
Microsoft	Microsoft is an active buyer of innovative technologies, particularly around AI, cloud services, cybersecurity, and enterprise solutions, which are essential for its product and service development.
General Electric (GE)	GE actively engages in procurement of innovative solutions to modernize its manufacturing processes, particularly in digital industrial technologies, AI, and automation systems.
Intel	As a major player in the semiconductor industry, Intel procures innovative technologies related to AI, IoT, and advanced manufacturing processes to maintain its leadership in the tech space.
Lockheed Martin	Lockheed Martin is a significant buyer of innovation in defence technologies, including advanced AI, autonomous systems, and aerospace technologies for its military and space operations.
Amazon	Amazon is one of the largest buyers of innovative technologies, including robotics, AI, and cloud computing solutions, used to streamline logistics and expand its e-commerce and cloud services.
ExxonMobil	ExxonMobil invests heavily in procuring innovative solutions for energy production, focusing on green technology, energy efficiency, and carbon capture solutions.
Caterpillar	Caterpillar procures advanced technologies to improve its heavy machinery, including automation, robotics, and telematics to enhance operational efficiency and sustainability in its manufacturing process.
Nike	Nike is a leader in procurement of innovative manufacturing techniques, AI, and sustainable technologies to create advanced performance apparel and footwear.
Johnson & Johnson	J&J procures innovative healthcare technologies to advance medical devices, pharmaceuticals, and consumer health products. They focus on AI, biotechnology, and medical robotics.
Boeing	Boeing focuses on innovation procurement in aerospace technologies, including materials science, AI-driven manufacturing, and autonomous systems for both defence and commercial products.
IBM	IBM is heavily involved in procuring innovative solutions in AI, quantum computing, and blockchain to enhance its enterprise offerings and business solutions for clients worldwide.
Ford Motor Company	Ford procures innovative automotive technologies, especially in the areas of electric vehicle manufacturing, AI, autonomous driving, and advanced safety systems.
Procter & Gamble (P&G)	P&G is a leading innovator in consumer goods procurement, focusing on sustainable packaging, AI in marketing, and digital solutions in product development and customer service.

[8] Several companies, including Google and Microsoft, offer programmes designed to fund the development of MVP (Minimum Viable Product) solutions, particularly for small businesses.

AbbVie	AbbVie actively engages in the procurement of biotech, AI, and genomic research technologies to advance its pharmaceutical development pipeline.
PepsiCo	PepsiCo procures innovative food and beverage manufacturing technologies, focusing on automation, sustainable packaging, and AI-based consumer insights.
Facebook (Meta)	Meta (Facebook) procures advanced AI and AR/VR technologies to enhance its social media platforms and develop the "Metaverse," investing heavily in innovative digital solutions.

3.3 Key suppliers

In the U.S. innovation procurement market, there are both **local and international suppliers** that provide advanced technologies and solutions. Local suppliers, such as Palantir, IBM, Microsoft, and Amazon Web Services, are based in the U.S. and lead the market in areas like AI, cloud computing, and industrial technologies. On the other hand, international suppliers like Siemens, SAP, and Accenture are headquartered outside the U.S. but have a strong presence in the country, offering innovative solutions and competing with local firms. These international suppliers bring global expertise and advanced technologies, making them key players in the U.S. market.

3.4 Soft-landing and ecosystem support

Soft-landing programmes provide a smooth transition for EU SMEs and start-ups into the U.S. market by offering logistical, legal, and business development support. Many U.S. cities have **incubators and accelerators** that help foreign start-ups by providing office space, mentorship, and access to U.S. business networks. Programmes like **500 Startups**, **Techstars**, and **the Venture Reality Fund** help companies with everything from initial market entry to scaling operations. In addition, several companies, including Google and Microsoft, offer programmes designed to fund the development of MVP (Minimum Viable Product) solutions, particularly for small businesses.

Soft-landing programmes assist with understanding U.S. market regulations, procurement processes, and compliance requirements. They help businesses prepare for both public and private sector procurement, including navigating federal and state-level regulations. These programmes **create networking opportunities**, thus connecting EU SMEs to potential U.S. partners, investors, and clients. They offer events, conferences, mentorships, and introductions to business leaders and decision-makers in both the private and public sectors.

Ecosystem support refers to the network of resources and services that EU SMEs and start-ups can tap into to enhance their innovation procurement efforts in the U.S.:

- **Government and private sector support**: Various U.S. government agencies, including the **U.S. Small Business Administration (SBA)** and **U.S. Commercial Service**, offer programmes aimed at assisting foreign businesses with procurement opportunities. Private sector organizations like the **U.S. Chamber of Commerce** and **National Association of Small Business Owners** (NASBO) also offer support to help businesses connect with the right procurement opportunities.
- **Funding and grants**: There are many opportunities for EU companies to access funding, especially for innovation-driven procurement. For instance, the **SBIR/STTR** programmes provide U.S. government funding to small businesses involved in research and development. These programs encourage innovation and commercialization of technology.
- **Procurement training**: Some U.S. organizations offer training programmes to help international companies understand the procurement process. These trainings can focus on everything from how to submit bids to how to navigate federal, state, or local procurement systems. Many U.S. states also offer trainings for interested businesses, in which those who are interested may find more information on the individual state or city's websites. **The European-American Chamber of Commerce (EACC)** and other similar institutions provide workshops tailored to helping foreign companies succeed in U.S. procurement.

For EU SMEs and start-ups looking to expand into the U.S. market, several soft-landing programmes and ecosystem support initiatives are available. These programmes help businesses navigate the complexities of market entry, establish valuable connections, and access procurement opportunities. Here are some key examples:

- **Enterprise Europe Network (EEN)**: EEN helps EU businesses internationalise by connecting them with U.S. companies, offering access to both public and private procurement opportunities, and guiding them through

U.S. regulations and market dynamics.

- **ScaleUp Europe**: This initiative is designed to assist European start-ups in scaling internationally. It focuses on U.S. market entry, helping businesses build relationships with U.S. investors, companies, and government agencies, ensuring they are well-equipped to succeed.
- **Eureka network**: The Eureka Network fosters collaboration between European and U.S. companies to drive innovation and procurement opportunities. It provides SMEs with access to U.S. R&D funding and procurement contracts, enabling them to expand their footprint in the U.S. market.
- **EIC soft-landing programme**: It is a business acceleration service that provides customised guidance and the adequate tools for EIC awardees who have launched and gained traction abroad and want to expand to a new market since 2024.

3.5 European companies: success stories in the U.S.

As an EU SME or start-up looking to expand your business and tap into the vast U.S. market, understanding how to navigate both public and private procurement opportunities can be a game-changer. The U.S. offers immense potential, with a thriving innovation ecosystem that actively seeks cutting-edge solutions across various industries. Many European businesses have already made successful inroads into the U.S. market by leveraging procurement opportunities, building strategic partnerships, and offering innovative products and services.

To inspire and guide you in your journey, we've compiled a list of successful EU SMEs and start-ups that have effectively accessed U.S. procurement opportunities. These **success stories** showcase how companies from various sectors—ranging from cybersecurity and fintech to renewable energy and smart cities—have overcome barriers and made a significant impact in both the public and private sectors. By learning from these examples, you can gain insights into how to position your business for success and explore the numerous opportunities available in the U.S. procurement landscape.

Company	Country	Sector	Success story
Darktrace	UK	Cybersecurity	Successfully entered the U.S. market, securing contracts with U.S. government agencies and private sector companies. Their AI-driven cybersecurity solutions helped them become a leader in the U.S. market.
Wise (formerly TransferWise)	Estonia	Fintech	Gained traction in the U.S. by partnering with large financial institutions and tapping into cross-border payment services for both public and private procurement.
Nokia	Finland	Telecommunications	Secured significant U.S. public-sector contracts for 5G infrastructure and network solutions, becoming a key supplier to telecom providers and government agencies.
Pry Financials	Finland	SaaS/Financial software	Entered the U.S. market by offering financial planning software to U.S. start-ups, securing procurement opportunities with tech firms and scaling within the U.S. market.
Komo	France	IoT/Smart Cities	Successfully entered the U.S. market by securing contracts with municipal governments to provide smart city IoT-based solutions for infrastructure and urban technology.
Unilabs	Denmark	Healthcare/Diagnostics	Expanded operations into the U.S. healthcare market, securing contracts with hospitals, healthcare providers, and public health agencies for diagnostic services and health tech solutions.
Northvolt	Sweden	Battery technology	Secured partnerships with U.S. automakers and energy providers, providing green battery solutions for electric vehicles and clean energy, tapping into both public and private procurement opportunities.

Solenovus	Ireland	Renewable energy	Entered the U.S. market by partnering with private companies and government agencies to provide solar energy solutions, securing contracts in U.S. renewable energy initiatives.

4. How do I explore public and private tender opportunities?

To find public and private innovation procurement tenders in the US, there are several methods you can use, depending on whether you're looking for government (public) or private sector opportunities.

4.1 Public tenders

Public sector tenders are primarily issued by government agencies, and there are established platforms and methods to access these opportunities.

- **SAM.gov (System for Award Management)**: This is the primary platform for federal government procurement opportunities. SAM.gov lists contracts, grants, and other procurement opportunities related to innovation, technology, and research. To find relevant tenders, you can search using specific keywords related to innovation, such as "technology," "R&D," or "research." You can register your business here to receive notifications about relevant tenders[9].
- **State and local government portals**: Each U.S. state and many local government agencies have their own procurement websites where they list tenders and RFPs. These websites often focus on regional projects, including innovation tenders for local infrastructure, tech development, and more. You can search by state or city-specific procurement sites.
    - For example, New York has **NYC Procurement**, and California has **California State Contracts Register**.
- **SBIR/STTR Programmes**: The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programmes are key funding avenues for innovation in the public sector. These programmes offer grants and contracts for innovative research, particularly in areas like defence, healthcare, and technology.
- **Government conferences and networking events**: Attending government-hosted procurement events and industry-specific conferences is an excellent way to learn about upcoming tenders. These events often provide information about the government's innovation needs and upcoming projects, where tenders may be announced.

4.2 Private tenders

Private sector tenders are issued by businesses and corporations looking for innovative solutions to enhance their operations. These opportunities can be harder to find due to less public transparency, but there are still platforms and networks where they are advertised.

- **BidNet Direct**: This platform aggregates public and private sector tenders. Although it includes some government contracts, it also lists RFPs and procurement opportunities from private businesses across various industries. You can filter your search to focus on private-sector innovation-related tenders.
- **GovWin by Deltek**: This service offers insights into both government and private sector procurement opportunities. It focuses on technology, innovation, and research, helping businesses find tenders in sectors like IT, defence, and healthcare.

[9] **2 CFR § 200.214 Suspension and Debarment**: Non-Federal entities are subject to the non-procurement debarment and suspension regulations as set out in Executive Orders 12549 and 12689 and outlined in 2 CFR Part 180. These regulations restrict the awarding of contracts, subawards, and other forms of funding to parties that are debarred, suspended, or otherwise excluded from, or deemed ineligible for, participation in Federal assistance programmes or activities.

- **B2B platforms (e.g., ThomasNet)**: Platforms like ThomasNet are excellent resources for businesses seeking private sector tenders. They list RFPs and innovation needs from a wide range of industries, including manufacturing, technology, and services. You can search for tenders by sector and innovation focus.
- **Industry-specific innovation hubs and accelerators**: Many sectors have innovation hubs, accelerators, or incubators where private companies post RFPs for new technologies or innovative solutions. For example, accelerators like TechStars or Y Combinator focus on startup innovations and often list tenders from private businesses in the tech space. Websites like **TechStars** and **Y Combinator** often feature private-sector innovation challenges and opportunities.
- **Private company websites**: Many large companies issue RFPs directly on their websites for specific innovation needs, such as software development, AI solutions, or new manufacturing technologies. If you're targeting specific businesses, you can regularly check their procurement or "suppliers" section for new tenders.
- **Networking and industry events**: Just like in the public sector, private companies often announce procurement opportunities during industry events or conferences. These events are an excellent way to meet potential clients and learn about new tenders for innovation projects. Many tech and business conferences (e.g., CES, Web Summit) often host private-sector procurement and partnership opportunities. In addition to these events, the **EIC International Trade Fairs Programme 3.0 (ITF)** is an excellent opportunity for companies looking to expand their commercialisation strategy in both European and international markets.

5. How do I apply for public and private tenders?

This section provides a structured guide for businesses seeking to participate U.S.'s public and private tender processes, outlining the key steps, requirements, and strategies for successful application.

5.1 Public tenders

Step 1: Find opportunities

- Federal: Search for tenders on **SAM.gov** (contracts), **Grants.gov** (funding), and **Challenge.gov** (innovation challenges). Agencies like NASA, DoD, NIH, and DOE also post specific innovation tenders.
- Local (State/City): Check state/city procurement websites (e.g., **Sourcewell**, California eProcurement, New York State Contract Reporter). Some states use NASPO ValuePoint for cooperative purchasing.
- Tip**:** To stay informed, consider subscribing to email alerts for each of these sites.

Step 2: Check eligibility

- Federal: Some contracts allow foreign applicants, while others require a U.S. partner or subsidiary. Innovation programmes like SBIR/STTR often require U.S. small business participation.
- Local: Rules vary—some states allow direct foreign participation, while others require a local business registration or partnership.

Step 3: Register your business

- Federal: Register on SAM.gov to get a Unique Entity ID (UEI). Defence-related contracts may also require a CAGE Code.
- Local: Many states require vendors to register with a state procurement system or obtain a business license.

Step 4: Identification of the procurement method

- Institutions will procure goods and services through a variety of methods. The formal request processes may include, but are not limited to, the following:
    - Invitation to Tender (ITT);
    - Request for Qualifications (RFQ);
    - Request for Bid (RFB);
    - Request for Proposal (RFP);

- Request for Information (RFI).

Step 5: Prepare & submit a proposal[10]

- Follow the tender's guidelines for technical, financial, and compliance sections.
- Ensure your proposal meets innovation-specific requirements.
- Consider U.S. legal or procurement consulting for compliance.

Step 6: Comply with U.S. regulations

- Federal: Follow federal procurement laws (FAR, DFARS for defense). Check export regulations (ITAR, EAR) if dealing with technology.
- Local: Compliance depends on state-specific laws but generally involves contract performance monitoring and reporting.

5.2 Private tenders

Step 1: Search for tender opportunities

- Look for private innovation procurement opportunities that match your business sector. You can find these on platforms such as **FedBizOpps** (for government-related tenders) or directly on the procurement portals of private companies. Additionally, explore industry-specific websites, tech forums, and innovation hubs that post tenders and requests for proposals (RFPs).

Step 2: Check eligibility

- Before applying, ensure you meet the eligibility criteria outlined in the tender. Some private procurement opportunities may have restrictions on foreign (non-U.S.) entities. Verify that the tender allows participation from EU SMEs/startups and check for any other specific requirements, such as a local presence or security clearance.

Step 3: Register your company

- To apply for government-related tenders, your business must be registered in the System for Award Management (SAM). This is required for U.S. federal contracts. For private companies, follow their individual registration process. Additionally, obtain a Unique Entity Identifier (UEI), as it is often required for official procurement registration in the U.S.

Step 4: Identification of the procurement method

- Institutions will procure goods and services through a variety of methods. The formal request processes may include, but are not limited to, the following:
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  - Request for Qualifications (RFQ);
  - Request for Bid (RFB);
  - Request for Proposal (RFP);
  - Request for Information (RFI).

Step 5: Prepare your proposal

- Thoroughly review the tender documents and guidelines to fully understand the requirements. Your proposal should include a detailed description of your innovation, its technical feasibility, budget, timelines, and any other requested information. Ensure you follow the formatting instructions carefully and provide all required documentation to increase the likelihood of your proposal being selected.

[10] A useful tip when presenting your procurement offer is to always consider that the evaluation criteria may include, in no particular order of preference, factors such as the proposed rates, estimates, and pricing. The tenderer's expertise in providing similar products will also be assessed, alongside their health and safety performance. The use of local subcontractors by the tenderer is another important consideration, as well as their ability to meet any required dates specified for deliverables. Additionally, experience in projects similar to the one being tendered for, as well as the management and execution protocols for the delivery of goods, will be evaluated. Furthermore, the management systems and project controls that the tenderer intends to utilise for providing equipment or materials will also be taken into account.

Step 6: Ensure compliance with U.S. laws

- Before submitting your proposal, verify that your business and technology comply with U.S. regulations, particularly export control laws such as ITAR (International Traffic in Arms Regulations) and EAR (Export Administration Regulations). These laws govern the export of sensitive technologies and could affect your eligibility or ability to fulfil the contract.

Step 7: Consider partnering with U.S. companies

- If required or beneficial, you might consider forming a local partnership or entering into a teaming agreement with a U.S.-based company. This can help you navigate local requirements, increase your credibility, and provide additional resources to support your proposal.

Step 8: Submit your proposal[11]

- Submit your proposal in accordance with the tender instructions, ensuring you meet the deadline. Double-check that all required documents are included and confirm the submission. Retain a record of your submission confirmation for future reference and follow-up.

Step 9: Monitor and follow-up

- After submitting your proposal, monitor the status of your application. You may be asked to provide additional information, attend meetings, or make adjustments to your proposal. Stay proactive in communication and be prepared to respond to any requests for clarification or further negotiations.

Receive free procurement assistance in the U.S. thanks to the EIC Innovation Procurement programme powered by SPIN4EIC

The EIC Innovation Procurement Programme powered by SPIN4EIC presents an exciting, **free-of-charge opportunity** for European SMEs and Start-Ups backed by the European Innovation Council (EIC) to scale their businesses and access global markets.

Learn more about the EIC and how to become an EIC beneficiary **here**.

SMEs and Start-ups who are already supported by the EIC (or have received a Seal of Excellence or were supported by the SME Instrument) are strongly encouraged to apply for procurement assistance via the SPIN4EIC initiative. Seize this opportunity by answering this **Open Call for assistance**. The EIC Innovation Procurement Programme powered by SPIN4EIC provides invaluable support, including specialised training, networking, and matchmaking, alongside personalised assistance throughout the tendering process, from procurement strategy development to hands-on tender assistance and legal matters.

Check out the **SPIN4EIC web page** and do not hesitate to contact the SPIN4EIC team if you have any questions.

[11] A useful tip when presenting your procurement offer is to always consider that the evaluation criteria may include, in no particular order of preference, factors such as the proposed rates, estimates, and pricing. The tenderer's expertise in providing similar products will also be assessed, alongside their health and safety performance. The use of local subcontractors by the tenderer is another important consideration, as well as their ability to meet any required dates specified for deliverables. Additionally, experience in projects similar to the one being tendered for, as well as the management and execution protocols for the delivery of goods, will be evaluated. Furthermore, the management systems and project controls that the tenderer intends to utilise for providing equipment or materials will also be taken into account.

Annex 1: General information on the U.S. and its economy

As the largest economy in the world, the United States offers a wealth of business opportunities for international companies, with a GDP of over $28 trillion in 2024[12]. For EU SMEs, the U.S. represents a dynamic and diverse market, characterized by strong consumer spending, technological innovation, and robust demand for high-quality goods and services. The federal government and private sectors provide significant procurement and partnership opportunities across industries such as technology, healthcare, clean energy, and manufacturing.

However, entering the U.S. market requires careful consideration of its regulatory landscape, competitive nature, and regional diversity. EU SMEs must adapt to varying state laws, differing business practices, and cultural expectations. Understanding these factors is essential for accessing the short- and long-term potential of this highly rewarding yet competitive market.

The government

The United States is **one of the countries that spends the most on public procurement** in the world. In the 2023 fiscal year, the U.S. federal government allocated **$759 billion for public procurement contracts**.[13] The U.S. currently has a population of 333.3 million, with California being the most populated state, followed by Texas.[14] The capital of the U.S. is Washington DC, which is not a state but rather a territory surrounded by Maryland and shares a bordered river with Virginia.[15] While New York is neither the most populated state, nor the political capital of the country, it is the national hub with the headquarters of some of the country's most profitable companies based there such as Goldman Sachs, and American Express.[16]

When discussing public procurement, it is fundamental to understand the different levels of government that exist to understand the different types of public buyers.

The **Federal Government** of the U.S. is the national government of the United States of America established in 1789. The Federal government consists of three main branches of government. The legislative, executive, and judicial. The legislative is comprised of two houses; the Senate and the House of Representatives, collectively forming the U.S. Congress, as per the Constitution, the Congress has the sole power to enact legislation.[17] There are 435 elected members in the House of Representatives between all 50 states depending on their population size. The second chamber is the Senate, which has 100 members, 2 elected from each U.S. state.[18] The Executive Branch is led by the President who is both the head of state and government. Their main role is to sign legislation, give recommendations and to update Congress on certain measures.[19] Finally, the Judicial Branch allows for implementation of the law and is led by the Supreme Court whose principal function is to interpret constitutional and federal law.[20] Additionally, there are 94 district

[12] "The 20 countries with the largest gross domestic product (GDP) in 2024", Statista, 2024. https://www.statista.com/statistics/268173/countries-with-the-largest-gross-domestic-product-gdp/

[13] Accountability Office, "A Snapshot of Government-Wide Contracting for FY 2023 (Interactive Dashboard)," Gao.gov, AugU.S.t 15, 2023, https://www.gao.gov/blog/snapshot-government-wide-contracting-fy-2023-interactive-dashboard#:~:text=In%20Fiscal%20Year%202023%2C%20the.

[14] Amy Tikkanen, "U.S. States Ranked by Population: Which Is Largest? | Britannica," www.britannica.com, January 17, 2024, https://www.britannica.com/topic/largest-U-S-state-by-population.

[15] Jeanne Fogle, "Washington, D.C. | History, Facts, Character, & Attractions," in *Encyclopædia Britannica*, 2019, https://www.britannica.com/place/Washington-DC.

[16] Nicolas Rapp and Brian O'Keefe, "The Top 15 U.S. Cities in the Fortune 500 by Revenue," Fortune, May 18, 2020, https://fortune.com/longform/fortune-500-companies-revenue-U.S.-cities-bU.S.iness-revenue/.

[17] The White House, "The Legislative Branch," The White House, 2021, https://www.whitehoU.S.e.gov/about-the-white-hoU.S.e/our-government/the-legislative-branch/.

[18] Ibid.

[19] The White House, "The Executive Branch," The White House, n.d., https://www.whitehoU.S.e.gov/about-the-white-hoU.S.e/our-government/the-executive-branch/.

[20] Adam Gopnik and James T. Harris, "United States - State and Local Government," Encyclopedia Britannica, August 27, 2024, https://www.britannica.com/place/United-States/State-and-local-government.

courts in the U.S.,[21] which are federal courts. At a minimum each state has one district court.[22] The federal level usually deals with issues such as the declaration of war, foreign policy, interstate commerce and coin money.

In the U.S., the next level of government is **the state level.** There are 50 states in the U.S., with the most recent being Alaska and Hawaii. The state government mirrors the federal government, which includes all three branches of government and a state constitution.[23] The State Executive is headed by the governor, which is directly elected by the people, as are the majority of other executive leaders of the state. Like the federal level, the state has a bicameral legislative branch (except Nebraska), which are made of elected representatives, voting on state issues. The state usually governs on issues such as establishing schools, collecting, and setting taxes, conducting elections and public health and safety. The territories of the United States are sub-national administrative divisions and dependent territories overseen by the federal government. Unlike U.S. states and Indian reservations, these territories are not sovereign entities, and Federal laws supersede the territory's law where applicable policies conflict. The United States administers the territories of the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, and any other territory or possession of the United States.

Each state can establish a **local government** to support the implementation of its constitutional powers.[24] The local governments include two tiers (counties and municipalities/townships). Across America, depending on the state, local government can take many different forms with over 85,000 local government units in the U.S..[25] Local counties are the biggest type of local democracy, with Los Angeles County having the most residents, 9.7 million.[26] Yet, counties can also be smaller with Kingman Reef being the smallest county in the U.S..[27] These counties can also be divided into townships or municipalities that usually address parks, libraries, police departments and more. The key difference between state/federal government and local government is that powers need to be granted by the state.[28]

The economy & main sectors

The American government presents a wide range of information regarding its economy, as shown in the below industries.

In the U.S., **healthcare** is one of the most lucrative and important sectors for its economy, estimated to generate up to $1.3 trillion in 2n024, encompassing hospitals, pharmacies, and insurance companies.[29] It additionally represented 17.7% of the U.S. GDP in 2018.[30] Some of the biggest companies include CVS, United Health group incorporated and Anthem Inc.[31] From the years 2006 until 2016, when all other sectors in the U.S. were greatly suffering due to the financial crash in 2007 and 2008, the healthcare sector remained strong, growing seven times more than all other sectors.[32] Additionally, from 2016 to 2006 the projection is that it will have grown at roughly 18% per year.[33] Currently over 14.7 million people are employed by the healthcare industry in the U.S., accentuating its importance across the country. Within healthcare,

[21] United States Courts, "Court Role and Structure," United States Courts (Administrative Office of the U.S. Courts, 2023), https://www.U.S.courts.gov/about-federal-courts/court-role-and-structure.
[22] Adam Gopnik and James T. Harris, "United States - State and Local Government," Encyclopedia Britannica, AugU.S.t 27, 2024, https://www.britannica.com/place/United-States/State-and-local-government.
[23] The White House, "State and Local Government," The White House, 2024, https://www.whitehoU.S.e.gov/about-the-white-hoU.S.e/our-government/state-local-government/.
[24] Adam Gopnik and James T. Harris, "United States - State and Local Government," Encyclopedia Britannica, August 27, 2024, https://www.britannica.com/place/United-States/State-and-local-government.
[25] Ibid.
[26] Statista, "Largest Counties in the U.S. 2019, by Population," Statista, July 5, 2024, https://www.statista.com/statistics/241702/largest-counties-in-the-U.S./.
[27] "Kingman Reef | U.S.A. Territory (County / Province) | HobbyDB," Hobbydb.com, 2024, https://www.hobbydb.com/marketplaces/hobbydb/subjects/kingman-reef-county-province.
[28] The White House, "State and Local Government," The White House, 2024, https://www.whitehoU.S.e.gov/about-the-white-hoU.S.e/our-government/state-local-government/.
[29] IBISWorld, "Health & Medical Insurance in the U.S. - Market Research Report (2014-2029)," Ibisworld.com, 2014, https://www.ibisworld.com/united-states/market-research-reports/health-medical-insurance-indU.S.try/#IndU.S.tryOverview.
[30] ALISON DEUTSCH, "The 5 Industries Driving the U.S Economy," Investopedia, October 24, 2021, https://www.investopedia.com/articles/investing/042915/5-indU.S.tries-driving-U.S.-economy.asp.
[31] IBISWorld, "Health & Medical Insurance in the U.S. - Market Research Report (2014-2029)," Ibisworld.com, 2014, https://www.ibisworld.com/united-states/market-research-reports/health-medical-insurance-indU.S.try/#IndU.S.tryOverview.
[32] Ibid.
[33] Ibid.

the U.S. is the largest pharmaceuticals market in the world, known for its pharmaceuticals sector with companies such as Johnson & Johnson or Pfizer. In 2021, the U.S. market's annual turnover was roughly $550 billion.[34] The sector also employs up to 1.3 million people across over 5,000 pharmaceutical companies.[35] Overall, the healthcare sector is very profitable in the U.S. for companies.

The U.S. **technology** sector is known worldwide for its high-quality Software as a Service products, hardware products and the vibrant tech start-up community in Silicon Valley, accounting for roughly 9% of the U.S. GDP.[36] Many companies such as Google, Apple, IBM and Microsoft are American companies which make-up a large percentage of the international market, earning them the name "big tech". There are currently over 557,000 software and IT-services companies in the U.S.,[37] employing around 5 million people with a projected 14.2% increase in computer occupations by 2032.[38] Additionally, according to the Cyberstates 2019 report, the tech sector was the top economic contributor in 23 states, and in the top 10 contributors for 28 states.[39] The dynamic, cross-sectoral nature of the tech sector allows for it to affect other industries in the U.S. such as health, finance, education and more. The U.S. has been known as an "innovation powerhouse", with some of the top technology-based universities such as MIT and Stanford, to the sheer amount of tech start-up investment. In 2023, Europe raised less than half of the funding than their U.S. counterparts,[40] during an all-time low in American start-up funding.[41]

The **construction** industry in America has significantly grown every year from 2012 to 2022.[42] According to Forbes, the construction sector equates to 4% of the U.S.' GDP.[43] With a growth in population, housing, roads and other infrastructure is needed to accommodate, creating $2.1 trillion worth of structures in 2023.[44] As of 2023, the U.S. is the home to more than 919,000 construction companies.[45] Additionally, 8 million people are employed by the sector, with a knock-on effect to other sectors such as mining and manufacturing due to the purchase of goods from these industries.

The **retail** sector in the U.S. is also a very important sector, generating up to $5.3 trillion of the U.S. GDP and %1.3 trillion direct labor income of U.S. employment in 2021.[46] The sector includes over 4.6 million enterprises, in an array of different sub-sectors such as bars, garden centers and cosmetic retailers.[47] Two of the most important retailers in the U.S. are Walmart who earned $573 billion in revenue, and Amazon, generating $514 billion in revenue in 2022.[48] Currently, there are 3.2 million people directly employed by the retail sector, yet according to the National Retail Federation's 2024 annual report, 55 million jobs are supported by retail[49], proving the vital knock-on effect of the sector.

The U.S. is what can be coined as an "**innovation** powerhouse". As explained in earlier sections, the U.S. has a strong innovation and entrepreneurial culture and has the funding to support it. While other countries have a strong education

[34]Adina Aba, "A Detailed Examination to U.S. Pharmaceutical Statistics," Adinaaba.com, 2024, https://www.adinaaba.com/post/u-s-pharmaceutical-statistics#:~:text=The%20U.S.%20pharmaceutical%20indU.S.try%20holds.
[35] Ibid.
[36] Ahmed Sherif, "Tech GDP as a Percent of Total U.S. GDP 2022," Statista, January 26, 2024, https://www.statista.com/statistics/1239480/united-states-leading-states-by-tech-contribution-to-gross-product/#:~:text=In%202022%2C%20the%20United%20States.
[37] Select U.S.A, "Select U.S.A Software and Information Technology Industry," www.trade.gov, n.d., https://www.trade.gov/selectU.S.a-software-and-information-technology-indU.S.try.
[38] Genevieve Carlton Ph.D, "2024 Tech Industry Statistics," *Forbes*, June 20, 2024, https://www.forbes.com/advisor/education/it-and-tech/tech-indU.S.try-statistics-and-facts/#:~:text=The%20tech%20indU.S.try%20employs%20more.
[39] CompTIA, "Cyberstates 2019," 2019, https://nhtechalliance.org/wp-content/uploads/2019/10/CompTIA_Cyberstates_2019.pdf?x84255.
[40] Kjartan Rist, "Will Europe Ever Match the U.S. For Startup Investment and Growth?," *Forbes*, June 6, 2024, https://www.forbes.com/sites/kjartanrist/2024/06/04/will-europe-ever-match-the-U.S.-for-startup-investment-and-growth/.
[41] Nicole Goodkind, "2023 Was an 'Extinction' Level Year for Tech Startups. Where Did All the Money Go? | CNN Business," CNN, December 7, 2023, https://edition.cnn.com/2023/12/07/investing/2023-was-an-extinction-level-year-for-tech-startups-where-did-all-the-money-go/index.html.
[42] U.S.A facts, "U.S. Population by Year, Race, Age, Ethnicity, & More," U.S.A Facts, July 2022, https://U.S.afacts.org/data/topics/people-society/population-and-demographics/our-changing-population/.
[43] Anthony Johnson, "Council Post: Using Construction as an Economic Indicator," *Forbes*, AugU.S.t 12, 2024, https://www.forbes.com/councils/forbesbU.S.inesscouncil/2023/08/16/U.S.ing-construction-as-an-economic-indicator/#:~:text=Construction%20is%20a%20driving%20force.
[44] Ken Simonson, "Construction Data | Associated General Contractors of America," Agc.org, 2019, https://www.agc.org/learn/construction-data.
[45] Ibid.
[46]National retail Federation, "Retail's Impact," NRF, 2024, https://nrf.com/research-insights/retails-impact#:~:text=As%20the%20nation.
[47] Ibid.
[48] Blake Morgan, "Walmart vs. Amazon: Who Wins the Retail Battle in 2023?," Forbes, July 10, 2023, https://www.forbes.com/sites/blakemorgan/2023/07/10/walmart-vs-amazon-who-wins-the-retail-battle-in-2023/.
[49] National retail Federation, "Retail's Impact," NRF, 2024, https://nrf.com/research-insights/retails-impact#:~:text=As%20the%20nation.

system that fosters a brilliant talent pool, the U.S. has a supportive regulatory environment and an innovative and risk-taking culture.[50] The U.S. is home to Silicon Valley, the largest and most successful ecosystem in the world, valued at $2.5 trillion, when the global ecosystem value is at $24.9 billion.[51] Additionally, the Silicon Valley has 271 unicorns, 268 more than the global average of 3 per ecosystem.[52] According to global rankings, New York is the second largest ecosystem, tied with London, with 25,000 tech start-ups and an ecosystem valued at $694 billion and 126 unicorns.[53] This means that the U.S. is outperforming the majority of tech ecosystems across the world and has a strong entrepreneurial and innovation led culture, cultivating some of the best-known companies in the world.

Annex 2: Cultural considerations in the U.S.

A successful entry into the U.S. procurement market requires an understanding of the cultural landscape, which is vital for building lasting relationships with clients, suppliers, and partners. A nuanced appreciation of cultural considerations can help EU SMEs navigate the complexities of the U.S. business environment more effectively.

Respect for diversity and cultural sensitivity

The U.S. is one of the most diverse countries globally, with a multicultural population encompassing a wide range of ethnicities, religions, languages, and backgrounds. Businesses in the U.S. are often evaluated not just on the quality of their products or services but also on their commitment to **Diversity, Equity, and Inclusion (DEI)**. Many U.S. companies, particularly in public procurement, prioritise working with suppliers who actively promote diversity within their workforce and business practices.

However, the national discourse surrounding DEI is currently in a state of flux. While DEI remains an important priority, it has become a more challenging and quickly shifting topic. Some companies are reconsidering or scaling back their DEI commitments to avoid potential backlash from the current administration. As a result, DEI is no longer the dominant focus it once was, even as recently as a year ago.

For EU SMEs, it remains essential to demonstrate a commitment to equal opportunity employment, inclusivity, and minority representation to gain a competitive edge in the U.S. market. Highlighting partnerships with underrepresented groups, diverse hiring policies, and adherence to anti-discrimination standards can still enhance credibility and appeal. However, it is advisable to approach this priority with a nuanced understanding, recognising that its significance may not be as central as it once was.

Respect for diversity in the U.S. extends to compliance with anti-discrimination laws, such as the Equal Employment Opportunity Act. SMEs should familiarize themselves with these laws and ensure their business practices align. Demonstrating adherence to these standards during procurement or partnership discussions reflects cultural sensitivity and positions the business as a credible and ethical partner.

Certain topics should be avoided in business discussions to maintain professionalism and respect. In the U.S., these topics are usually coined the "big two" - **politics and religion**,[54] especially in such a divisive period in American politics. That said, in many online commentaries,[55] alternative arguments regarding diversity and inclusion are changing this narrative, and some think these topics should be spoken about in a business setting. Sometimes, however, it is better to be safe than sorry and have some small talk questions or topics prepared to avoid unnecessary conflict.

Business etiquette and hierarchical structures

[50] Henri Coorevits, "Why the U.S. Is the Innovation Hub of the World - Henri Coorevits - Medium," Medium (Medium, March 2023), https://medium.com/@coorevitshenri/why-the-U.S.-is-the-innovation-hub-of-the-world-a0b3f0ccf155.
[51] Startup Genome, "Reasons to Move Your Startup to Silicon Valley," Startup Genome, 2024, https://startupgenome.com/ecosystems/silicon-valley.
[52] Ibid.
[53] Startup Genome, "Startup Genome," Startup Genome, 2024, https://startupgenome.com/ecosystems/new-york-city.
[54] Royale Scuderi, "15 Vital Business Etiquette Rules," Business Trends and Insights, October 3, 2012, https://www.americanexpress.com/en-U.S./bU.S.iness/trends-and-insights/articles/15-vital-bU.S.iness-etiquette-rules/.
[55] Monica Ningen, "Disclaimer: Some Readers Might Find This Article Provocative. I'm Willing to Take That Chance If It Sparks Thinking, Dialogue and Growth.," Linkedin.com, January 20, 2017, https://www.linkedin.com/pulse/taboo-topics-politics-religion-time-rethink-space-bU.S.iness-ningen/.

While the U.S. operates as a single market, cultural norms and business practices can vary significantly by region. Understanding these differences can help EU SMEs adapt their approach effectively:

- **Northeast**: Known for its fast-paced and results-driven mindset.
- **South**: Emphasizes politeness, relationship-building, and strong community ties.
- **West Coast**: Defined by a culture of innovation and informal business etiquette.
- **Midwest**: Reflects a practical and collaborative approach to business.

Recognizing these regional variations allows EU SMEs to tailor their communication and strategies to resonate with local expectations. U.S. business culture values direct yet courteous communication. Transparency, responsiveness, and punctuality are essential for building trust. Hierarchies are often less rigid, with decision-making frequently involving collaboration across teams. SMEs should adapt to this dynamic, maintaining professional yet approachable interactions.

In terms of **etiquette**, greetings in U.S. business settings are typically informal compared to many European norms. A handshake, smile, or simple "hello" is common[56]. While first names are widely used in most workplaces, addressing someone as "Sir." or "Maam." upon introduction is considered respectful until otherwise indicated. Adapting to these practices will facilitate smoother interactions and foster strong relationships in the U.S. market.

Business hours, punctuality, and holidays

In the U.S. there are no federal obligations for a maximum working week, yet it can depend on a state level. Working hours typically range from 40 to 44 hours per week as per the June 2024 report from the U.S. Bureau of Labor Statistics on American time use from 2023. Additionally, there is no federal regulation regarding paid leave unlike in Europe. As per the U.S. Bureau of Labor Statistics, in the private sector, employees receive on average 11 days year after one year in the company, 15 days per year after work etc. Very few states have legislation allowing for general use paid time off. These include Maine, Nevada and Illinois.[57] In some companies, the policy of unlimited paid time off has become popular. So long as the employee meets the expectations and coordinates with other employees to ensure their time off has not affected their work, they have an unlimited amount of time off.[58]

In the U.S., life is oftentimes lived at a faster pace than in Europe, where the term "time is money" is one of the most famous terms conceived by American Founding Father Benjamin Franklin,[59] meaning that time is one of the most expensive things someone can have, and that others should be respectful of their and your time. Punctuality and efficiency are highly valued; therefore, meetings are typically straightforward and to the point.

Since the onset of Covid-19, remote working, or "working from home," has become significantly more prevalent among companies in the United States. As of 2024, 16% of American companies operate fully remotely, with an estimated 32.6 million Americans expected to be working remotely by 2025. This shift is an important consideration when establishing relationships with subcontractors or different "primes" (the primary contracting company in a tender).

However, return-to-office (RTO) policies are currently a highly debated topic. Remote work is facing increasing challenges in both the public and private sectors, with many organisations bringing employees back into the office in large numbers. This trend is likely to affect future contracting strategies and the flexibility of working arrangements in both the short and medium term.

Language considerations

When European SMEs engage in business with US companies or counterparts, understanding and navigating language considerations is critical to building strong relationships and ensuring effective communication.

[56] Amy Tikkanen, "U.S. States Ranked by Population: Which Is Largest? | Britannica," www.britannica.com, January 17, 2024, https://www.britannica.com/topic/largest-U-S-state-by-population.
[57] Molly Weston Williamson, "The State of Paid Time off in the U.S. In 2024," Center for American Progress, January 17, 2024, https://www.americanprogress.org/article/the-state-of-paid-time-off-in-the-u-s-in-2024/.
[58] Jamie Birt, "What Is Unlimited Paid Time off (PTO) and How Does It Work?," Indeed Career Guide, July 31, 2023, https://www.indeed.com/career-advice/career-development/unlimited-pto.
[59] National Constitution Center, "Benjamin Franklin's Last Great Quote and the Constitution - National Constitution Center," National Constitution Center – constitutioncenter.org, 2019, https://constitutioncenter.org/blog/benjamin-franklins-last-great-quote-and-the-constitution.

First and foremost, while English is the primary language used in business in the U.S., SMEs should be mindful of differences between American and British English. Spelling, vocabulary, and even phrasing can differ significantly. For instance, words like "schedule," "quotation," or "turnover" may carry distinct connotations or usage depending on the variation of English employed. Adopting American spelling and terminology, when appropriate, can demonstrate cultural awareness and make communication smoother.

Tone and style of communication are also important. Americans tend to prefer direct and concise language, especially in written communication. While politeness is valued, overly formal or indirect phrasing may be perceived as unnecessary or confusing. This does not mean sacrificing professionalism; rather, it suggests a more straightforward approach in emails, presentations, or negotiations.

Cultural nuances play a role as well. Humour, for instance, should be used cautiously. What may be considered witty or appropriate in Europe might not resonate or could even be misinterpreted by a US audience. Clarity should always take precedence, especially when discussing technical details, financial matters, or legal terms.

Lastly, SMEs should pay attention to idiomatic expressions and colloquialisms. While these are common in US business conversations, they can be confusing for non-native speakers. Similarly, avoiding reliance on European idioms can help prevent misunderstandings. If a phrase or term is unclear, it is always acceptable to ask for clarification to ensure mutual understanding.

Workplace values and key attributes

In the U.S., independence, accountability, and a proactive approach are cornerstones of workplace culture[60]. Employees are expected to take ownership of their responsibilities and contribute to projects without needing detailed supervision. This self-driven attitude is particularly valued in dynamic and fast-paced industries like technology and finance. For EU SMEs entering the U.S. market, demonstrating initiative—such as presenting new ideas or solving problems proactively—can establish credibility and foster stronger partnerships with American counterparts.

A positive attitude is also a defining characteristic of American workplaces. Optimism, even in challenging situations, is associated with a solution-oriented mindset. For instance, when pitching a business idea, Americans often highlight opportunities and potential solutions rather than dwelling on challenges. EU SMEs can adapt by framing their products or services in terms of how they solve problems or add value to the U.S. market.

Approach to innovation and risk

The U.S. is widely recognized as a global hub for innovation, driven by a culture that celebrates entrepreneurship and risk-taking[61]. Success stories such as Apple, founded by Steve Jobs, and Amazon, spearheaded by Jeff Bezos, exemplify the entrepreneurial spirit that defines American business culture. Unlike in some EU countries, failure in the U.S. is often seen as a learning experience rather than a career setback, making it easier for innovators to experiment and take calculated risks.

This openness to innovation is supported by a strong regulatory framework and incentives. For example, the U.S. offers tax credits for R&D activities, including the federal R&D Tax Credit, which rewards businesses for investing in innovation[62]. Typically, qualified research activities must aim to develop or improve a product, process, or software, and involve eliminating technical uncertainty through experimentation. State-level programmes further supplement these benefits, creating an ecosystem that fosters creativity. EU SMEs can leverage such programmes when collaborating with

[60] Eliza Simpson, "25 Business Etiquette Rules to Navigate American Work Culture | BoldVoice," Boldvoice.com, 2024, https://www.boldvoice.com/blog/bU.S.iness-etiquette-rules-american-work-culture#id12.

[61] Mrinal Mishra , Steven Ongena, and Jonathan Fu , "The Telling of the American Dream Story and Local Entrepreneurship," CEPR, November 5, 2023, https://cepr.org/voxeu/columns/telling-american-dream-story-and-local-entrepreneurship#:~:text=The%20.

[62] Parrish Phyllis, "What Are the Strengths and Weaknesses of the U.S. Culture of Innovation throughout History and Today? - Dif-Nations," Dif-Nations, May 2024, https://www.nhhc.org/what-are-the-strengths-and-weaknesses-of-the-U.S.-culture-of-innovation-throughout-history-and-today/#:~:text=One%20of%20the%20core%20strengths.

U.S. partners or expanding their operations in the U.S.

Moreover, IP protection in the U.S. is among the most robust in the world. Patents, copyrights, and trademarks are regulated at the federal level by agencies such as the United States Patent and Trademark Office (USPTO). For SMEs with unique products, technologies, or services, securing IP rights in the U.S. ensures nationwide protection against infringement. For example, an EU SME introducing a novel medical device can rely on U.S. patent laws to safeguard its innovation while exploring market opportunities.

By understanding these cultural and structural elements, EU SMEs can position themselves for success in the U.S. market while mitigating risks and building long-term business relationships.

Disclaimers

The Toolkit is subject to the following exclusions, assumptions, and qualifications:

- The Toolkit has been produced as part of the contract signed by the Consortium Deloitte, Corvers and Intellera (the "Contractor") with the European Innovation Council and SMEs Executive Agency ("EIC/EISMEA"), acting under the powers delegated by the European Commission, having as subject matter the "Strategic use of procurement to open up business opportunities to EIC innovators", also called the Strategic Innovation Procurement Programme (SPIN4EIC) with the number EISMEA/2022/OP/0022 (EISMEA/2023/OP/0003). The information and views set out in this Toolkit are those of the author(s) and do not necessarily reflect the official opinion of EIC/EISMEA. The EIC/EISMEA does not guarantee the accuracy of the data included in this study. Neither EIC/EISMEA nor any person acting on the EIC/EISMEA's behalf may be held responsible for the use which may be made of the information contained therein.
- The Toolkit has been developed with reference to a range of international procurement frameworks, including global best practices, relevant legal instruments, and materials from public or private procurement projects across various jurisdictions. While originally informed by European legislative frameworks, policies, case law from the Court of Justice of the European Union, and EU-funded initiatives, the content has been broadened to support global applicability. Additional sources from the countries targeted by the International Country Profiles have been consulted to enhance the relevance of the Toolkit for innovators seeking to engage in procurement processes beyond national or regional boundaries. In preparing the Toolkit, the author(s) have relied on the accuracy and completeness of the referenced materials. All sources are duly cited within the document.
- The Toolkit offers both a theoretical foundation (based on, e.g., legal provisions under relevant pieces of legislation, legal analysis, and interpretation thereof), and practical guidance, including case studies and examples. These are intended to support innovators, particularly SMEs and start-ups, participating in innovation procurement processes or delivering innovation focused procurement projects globally. It also provides sample wording that may assist in the drafting of procurement documents. However, the information and guidance provided should be regarded as indicative only and may require adaptation to suit the specific context, including:
  a) the requirements and priorities of public or private procurers, as well as the capabilities and solutions available from the suppliers;
  b) the necessity of adhering to applicable legal frameworks governing procurement procedures and the conduct of public or private entities in the country where the procurement is initiated, managed, and executed;
  c) the need for alignment with internal policies, governance structures, or regulations applicable to the contracting authority, public or private body undertaking the innovation procurement activity.

  The Toolkit also contains examples derived from templates of procurement documents used by public or private procurers involved in innovation-driven procurements. While many of these templates originate from EU-funded Pre-Commercial Procurement (PCP) and Public Procurement of Innovative Solutions (PPI) initiatives, they have been selected and adapted to illustrate legislations that are relevant in a wider international context. Where appropriate, examples also reflect practices aligned with international frameworks such as the Agreement on Government Procurement (GPA) of the World Trade Organisation (WTO), and other relevant non-EU procurement models.
- The Toolkit and examples from templates may be used by innovators/suppliers as general guidance for the drafting of their own tender proposals and further tailored to their specific case and applicable legislation. As there are always certain legal concepts which exist in one jurisdiction and not in another, proper legal assistance should be sought to adjust them according to specific case-by-case requirements.
- The content of the reports, policy documents, communications, guidelines, opinions, or memoranda from any other person or entity referred to in the Toolkit, is and remains the exclusive responsibility of that person or entity.