

**2005 INNOVATIONS AWARDS PROGRAM**  
**Application Form**

1. Program Name: International Representatives Program
2. Administering Agency: Nevada Commission on Economic Development
3. Contact Person (Name and Title): Alan Di Stefano; Director, Global Trade and Investment
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9. Please provide a two-sentence description of the program.  
Developed a number of international representative offices around the world to represent the state's economic, trade and investment interests. The key is that these offices are independent representatives **and they do not cost the state any money.**
10. How long has this program been operational (month and year)? **Note: the program must be between 9 months and 5 years old on May 1, 2004 to be considered.** Program conceived during 2002. **First representative was appointed in December, 2002**, so this would be considered the start of the program.
11. Why was the program created? (What problem[s] or issue[s] was it designed to address?) **Indicate how the program applies to the "change driver" that you listed above.** Our state legislature closed all foreign offices in 1993 due to budget and related reasons. No Governor or legislature since then will consider funding for international state offices. In order to help our exporters, and increase FDI into the state, we need these foreign offices to compete with other states. Due to the budget situation it was **necessary to create a program where there was no cost to the state.** The "change driver" in this case, from the aspect of Globalization/Federalism, is the need to increase international trade. In booth 2003 and 2004 Nevada was the #2 state in percentage increase of exports. Our state programs including the International Representative Program described in this application have helped us to achieve our tremendous growth in international trade.
12. Describe the specific activities and operations of the program in chronological order.

- During the summer (June) of 2002 we started to receive an number of inquiries from foreign companies wanting to represent the state of Nevada in their respective countries.
- Since I knew that there would not be any funding for such a program our office reviewed a number of alternatives to set up representative offices. After some consideration we decided to use the concept where the representative would not get paid by us but would be paid by clients on either side of a deal (Nevada and or foreign entity) if the representative was able to bring the deal to fruition. This works the same as a “straight commission” salesman would work in sales in the private sector. There also had to be no start-up of continuing operational costs.
- During the October-November 2002 timeframe we discussed this concept with several companies who had expressed interest in representing the state. Some of these companies were not interested in such a compensation scheme but some were.
- We then looked at which countries where most strategic for Nevada and decided to pursue representatives in those countries first (China, Japan, Taiwan and Singapore). We screened prospective candidates until we were reasonably sure we had selected candidates who could adequately represent the state in export and FDI related activities.
- In November, 2003, after developing an agreement with the approval of Attorney General’s office, we started to contact these representatives.
- The first of these agreements was signed in December, 2002 (for Beijing, China), Subsequent agreements were signed in January, 2003 (Shanghai, China), March, 2003 (Hong Kong), April, 2003 (Japan and Taiwan), and July, 2003 (Singapore and ASEAN area).
- In December, 2003, “In Business Las Vegas” (the largest weekly business publication in the state) awarded the Nevada Commission on Economic Development their “Deal of the Year-Economic Development” award for this program

13. Why is the program a new and creative approach or method?

To our knowledge it is the **first time that any US state has created an international representative that has zero cost to the state** and the representative is self-paid as a result of their own efforts.

14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

**There were no start-up costs. That is one of the key features of the program**

15. What are the program’s annual operational costs?

**There are no annual operational costs.** That is another key feature of the program.

16. How is the program funded?

**There is no funding required. That is another key element of the program.** The representatives pay ALL of their own costs. They even come to Nevada at their own

cost for training. The money for their commissions come from the fees that they charge their clients to make export and investment deals happen.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.  
NO.

18. What equipment, technology and software are used to operate and administer this program?  
NONE. That is another key element of no continuing operational costs.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

YES. Innovator's name: Alan Di Stefano, Director, Global Trade and Investment, Nevada Commission on Economic Development, 108 E. Proctor St., Carson City, NV 89701. Phone: (775) 687-4325. E-mail: [ccintl@bizopp.state.nv.us](mailto:ccintl@bizopp.state.nv.us)

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ? NO

21. Has the program been fully implemented? If NO, what actions remain to be taken?  
No. We will continue to appoint representatives in other countries that are part of our strategic plan using the same program. Next in consideration for appointment are Korea and then one in Europe (Italy).

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

The program has been very effective and successful in addressing the number one issue: establishing a network of strategic foreign representatives with no start-up or continuing costs. We now have six representative offices helping our exporters to increase their business and working on bringing new FDI into the state.

Tangible examples:

1. Our representative in Singapore, responsible for Southeast Asia, is helping a private company to set up distribution for their products in three countries in Southeast Asia where they have never sold their product before. Our representative forecasts that, within 3 years, sales in these three countries will be \$40 million per year for this company.
2. Our representative in Shanghai is helping a Chinese tire recycling company to set up a US manufacturing operation, in addition to existing operations in China and Australia, in Nevada. When fully implemented the Chinese company will have a \$5 million investment in Nevada and create 35-50 new jobs in a rural area.
3. Our former representative in Beijing was responsible for having us sign an MOU with the Tianjin (China) Convention Center project that should result in the

- purchase of \$30 million in products and services from Nevada suppliers. In addition, we worked together to have the former Vice-President of Operations for the Las Vegas Convention Center (for 20 years) become the Vice Chairman of the Tianjin Convention Center Advisory Board to help Tianjin in the building of their new \$100 million international convention center. This person is now in the lead position to come away with a \$15 million long-term management contract for the Tianjin Convention Center.
4. Our new representative in Beijing is having two Chinese companies establish U.S. operations in Nevada. One of these companies is moving its U.S. distribution operation from California to Nevada. This representative is also bringing in a large delegation of buyers from Chinese Mongolia to purchase cattle feed (alfalfa) from Nevada growers. None of these successes would have happened without this representative.

23. How has the program grown and/or changed since its inception?

Yes, the program has grown from one to six representative offices since inception and will continue to grow as we add more representatives.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

1. Selling the concept to their respective state governments because it is so radically different than any state representative office has ever operated and the potential success is sure to be questioned.
2. Finding qualified and competent representatives who are willing to work on a straight commission basis based on their ability to close deals.

Add space as appropriate to this form.

This program won the “Deal of the Year-Economic Development” award in 2003 from the “In Business Las Vegas” publication.

When complete, return to:

**CSG Innovations Awards 2004**

The Council of State Governments

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