



“Shane Johnson: Calling All Angels” Season 1: Episode 3

- Speaker 1: Welcome to Stayin' Alive in Technology, a series of conversations with Silicon Valley veterans touching on war stories from the past and practical advice for today. And now, here's your host, Melinda Byerley, founding partner of Timeshare CMO.
- Melinda Byerley: Welcome back to the next episode of Stayin' Alive in Tech. So a few months ago, which would have been March of 2018, the New York Times ran a pretty playful article about a group of angel investors from the Bay area who were on a bus trip through Detroit, Michigan. And the article asked the question if investing in Silicon Valley was dead. I've spent some time in Michigan and I spent a summer in Detroit, and I question the premise of the article.
- Melinda Byerley: But rather than listen to me, I thought it would be instructive to actually talk to someone who was and is an angel investor in a small market outside of the Bay area. As you listen to Shane Johnson talk about his experience, keep in mind that almost half of investment in technology happens in the Bay area. And for scale, as he talks about the scale of his programs, keep in mind that there's close to 30 billion dollars flowing through in investment in the Bay area in a given year. And that comes from the National Venture Capital Association. So see what you think and talk to us on the web. Tell us. Do you think that investing in Silicon Valley is over?
- Melinda Byerley: And a bonus for you start-up founders. You're gonna get some great advice from Shane about how to pitch angels, which I think is relevant not just for angels outside of the Bay area, but I think it's true of any angel. So stay tuned. At the very end you'll hear him talking about that specifically.
- Melinda Byerley: I could not be more excited to welcome Shane Johnson to the show. Full disclosure, Shane is a friend of mine and I thought his stories about being an investor and a mentor in a tech community outside of the Bay area would be fascinating for everyone to hear. So welcome to the show, Shane.
- Shane Johnson: Thank you very much.
- Melinda Byerley: Where are you this morning?
- Shane Johnson: I am sitting in Eugene, Oregon, in the Regional Accelerator and Innovation Network at downtown Eugene.



- Melinda Byerley: So, Shane, my understanding is that you're the managing director for the Coast to Crest Fund in Eugene. Is that correct?
- Shane Johnson: Correct. I'm one of them. There's two of us. Joe Maruschak is the other one.
- Melinda Byerley: Why don't you tell us a little bit about the Coast to Crest Fund and what they do.
- Shane Johnson: What we do is, we are a geographically constricted fund. We can only invest in early stage start-ups in Lane County, Oregon. Typically that's the Eugene-Springfield Metro area. We invest anywhere from 25,000 to 200,000 in very early stage companies.
- Melinda Byerley: And the companies have to be located in the South Willamette Valley area, right?
- Shane Johnson: They have to be located in Lane County, which is not the entire South Willamette Valley area, but a large section of it.
- Melinda Byerley: One of the things I learned from Shane is that it's pronounced Willamette, damn it. So if you're traveling to Oregon and you wanna sound like you know what you're talking about, got to say Willamette.
- Melinda Byerley: So, Shane, how long have you been working with the Coast to Crest Fund? When did you guys start?
- Shane Johnson: We launched last May and so we're now coming up on our first year. We're actually getting ready for one of our first annual meetings.
- Melinda Byerley: Tell us about how much in assets you have under management right now.
- Shane Johnson: We have committed money to our fund about 1.6 million dollars. Our aim is to deploy it over three to four years. We're running right at pace for about three years. Our goal is not to over heat the local ecosystem, because we're small, but to give people an opportunity early.
- Melinda Byerley: Talk to us about that. So I think one of the reasons I wanted to ask you to come on the show was that we've had such good conversations about how different it is to run a fund and invest in companies when you're not in the Bay area. What did you mean by over heat?
- Shane Johnson: So Eugene-Springfield is a fairly small community. One of the problems we have seen is some of the companies get over capitalized.
- Melinda Byerley: That means you think they've raised more money than they need in the short term.



- Shane Johnson: Right. Sometimes available work expands to meet all resources, so if you have too much money early, you may get the same amount done as if you had less. That's one issue. The other issue is with over heating, the valuations go way up and it sort of limits other early stage people. It screws up their calc tables for follow on money, things like that. When we initially raised the fund, we set a goal at 2 million dollars. We thought that was a reasonable sized fund for our area, given the deal flow. We didn't wanna raise 5 million dollars and try to deploy it over three years because we felt that it would sort of make us over priced deals, potentially. Sort of a moral hazard.
- Melinda Byerley: So you deliberately constrained your own hands or tied your own hands.
- Shane Johnson: Yes.
- Melinda Byerley: Keep yourselves honest.
- Shane Johnson: We actually turned down money for the fund. We could have raised another 30 to 40% and we actually told people we didn't want them to invest as much in us because we wanted to be able to deploy it in a reasonable way. I know that sounds really weird, right? But because-
- Melinda Byerley: It's definitely not the Bay area, but that's why you're here.
- Shane Johnson: Well, so the fund came about as a genesis from there being an early stage capital problem in the Eugene-Springfield area. Our goal wasn't, and still really isn't, to be a big fund. Our goal is to be a fund that is professional, does great due diligence, and provides signal for other investors in Oregon and in the region, so that it's easier for people in Eugene and Springfield to raise early stage capital. Right?
- Shane Johnson: so yes, our fund is structured as an expense-based with a 20% carry. We draw no salaries from it. We run it all on our spare time and just-
- Melinda Byerley: That's unusual, because most funds pay some kind of carry to the partners to manage it. That's definitely something different from the Bay area, correct?
- Shane Johnson: So we don't have a management fee. We have a 20% carry on return funds, right?
- Melinda Byerley: For those who may not know what that means, do you wanna take a minute and explain?
- Shane Johnson: Sort of the classic fund structure is what's called a two-twenty. So a two-twenty is 2% annual management fee on committed funds. Okay. So that's what the fund gets to pay their directors, to pay expenses and everything like. Say on a



100 million dollars, if there was a 2% annual fee, 2 million dollars would go to the fund managers to run the fund. Right?

Melinda Byerley: Right. Like salary or payroll.

Shane Johnson: Salary and payroll. And they do pay themselves out of that. The other part, the 20 carry, is basically we get 20% of any returned money.

Melinda Byerley: Of the profits, essentially. When the fund profits, you take 20% of the profits.

Shane Johnson: Exactly. And there are different set-ups for that that can get complicated. There could sort of hurdles that management has to meet. Like is it total fund return, or is it on per-deal basis, or is it a certain amount of return. So say 5% over committed capital, we get 20% of anything over that. It can be that. For us, the reason we went with basically a no-fee structure is a 1 or 2% annual fee on 2 million dollars is \$40,000. It doesn't pay salaries. It doesn't do anything. So we just basically pass all our costs through to our limited partners based on their percentage of the fund. So if we have legal bills or something like that, we just pass them through. And we do cap it at 2%. We typically run way leaner than that.

Melinda Byerley: I have a question for you. There was an article that got a lot of play back in March in the New York Times. The assertion was from a group of investors from Silicon Valley were traveling to Detroit, and headline was that Silicon Valley is over. And I would love to hear your thoughts on whether you agree with that. And why or why not?

Shane Johnson: My thoughts on that are great headline, not true. Depending upon the context of what you're talking about. The way I would term it, and the way I think about these things, Silicon Valley may be over because of the amount of capital that's being sort of brought in to early stage stuff. The valuations may be creeping up down there or everybody's an angel, it seems like, when I go to town down to San Francisco or someplace. I don't look at Silicon Valley being over. I think that's just part of the hype cycle. It's a center for start-ups. It's a center for capital. And it's a center for talent. It's always going to be that way.

Shane Johnson: That being said, there are opportunities in smaller communities. Eugene is an interesting community because in our metro area we have 250,000 to 300,000 and the nearest next largest town we'll say 100,000 is probably Salem, which is 70 miles away. We don't have sort of that compression that the East Coast small cities have. What we do have, and I think that a lot of smaller cities have are research universities and local support of this concept. But I would definitely not say Silicon Valley's over. It's just, it's different markets.



- Melinda Byerley: How is raising capital different in a place like Eugene and Springfield than doing that in the Bay area or even in say Boston or in Detroit?
- Shane Johnson: I can only speak to this area and sort of the history of it and things like that. Eugene-Springfield and Oregon in general has a history in timber. We're sort of a resource-extraction state. So it's a lot more conservative. A lot of investors, not all, but a lot of investors, especially very early stage people, bring sort of a different mindset to their investments. They bring a value-oriented approach. It's like, well, what's the current value of your company? I wanna buy a certain portion of it. They're sort of bringing in this weird sort of, you're publicly traded company valuation, free cash flow, blah, blah, blah.
- Shane Johnson: The Bay area doesn't have that. It's, and probably even Boston and New York, there's a lot more you have an idea and a dream. It seems like a good idea and a dream. And we have capital for it. That's our job, to deploy it. And we hope it's a good investment.
- Shane Johnson: Here, there's a lot more, for lack of a better word, risk adversiveness. And it's just due to the culture, right? A lot of people, at least in the Eugene-Springfield community, if they do very well, one of the first things they do, and this is my view point and it's just from my sample size, they buy commercial property. Or they do something like that. They also will look to reinvest, but in the community in start-ups, but that's not a strong sort of part of our culture. It's changing. But if you're an early stage founder here, there's sort of a network that's very hidden of people you might be able to go raise against.
- Melinda Byerley: So they might be individuals versus a series of funds. So for people who think it's hard to know where to raise money in the Bay area, imagine if you had to seek out individuals who did not advertise their interest or willingness to invest in early stage companies, correct?
- Shane Johnson: Correct. And who are a little bit risk adverse, and really don't ... we don't have a culture and experience of investing in early stage companies. A lot of people who say they want to invest, don't understand convertible notes. They don't understand the risk profiles. A lot of times they get pitched the idea and not the team or the ability to execute.
- Shane Johnson: My experiences, I've been really lucky. I was able, and have been able, to take time to actually see how complicated doing early stage investing is. It's really hard to do it as sort of a country club deal, right? Where I'm not a big fan of angel conferences or things like that, because it's sort of a one-time, once a year thing. And then it's investment by committee, which depending on how involved somebody is, it's really hard for them to make, not an emotional decision, but a rational decision.



- Shane Johnson: As a fund, for us for example, we get to know people. You don't come in and pitch us for money and then a week later we say we're gonna write you a check. It just doesn't happen. What happens with us, is you come, meet with us. We have conversations over a couple weeks, maybe even a month or two, depending on which stage you're at. And then we start seeing what you are like as a founder.
- Melinda Byerley: Say more about that. What do you mean, what you're like as a founder?
- Shane Johnson: I don't know about all start-up ecosystems. But here, luckily, sometimes the founders don't know what they're getting into when they take capital. Right? It's just ignorance. It's not like evil intention or anything.
- Melinda Byerley: What can happen? What's an example of something that demonstrates that? You don't have to ... we're not here to name names, but helping people understand what that looks like.
- Shane Johnson: It's focused on a lot. Like founder intentionality. What is their intention? Do they want to run a lifestyle business? Do they wanna run a scalable trade to sector start-up that takes venture? What does that look like? Right? Sometimes founders don't know of the differences. We try to talk to them about that.
- Shane Johnson: So for example, and I was just having this conversation with somebody the other day, there's a lot of angel investors, especially individuals, that will invest in a local company looking for it to grow and be profitable and all that, but they're not necessarily looking for the big, big exit. They may be looking for a long time horizon of 20 years where there may be an exit, but in the meantime they want it to be a good solid business that grows. Maybe throws off some cash, right? That's a different type of angel investor than for myself, which is I'm looking for an exit as quickly as possible, that is reasonable and provides value, right? So as an angel investor, that could be two years. That could be 15 years. And that's my personal approach.
- Shane Johnson: Now as a fund, because of the constraints that we're under, we have to start harvesting and be closed out in 10 years.
- Melinda Byerley: So that means, so for people who don't know what that means, I think that means you have to, all of the assets have to be dispersed and you basically have to sort of settle the books in 10 years.
- Shane Johnson: Right. That's the way a significant number of funds run, right? They have to have all their investments returned in 10 years or harvested in some way. So harvesting means an exit, right?



- Melinda Byerley: Right. You could either, so either you could be your share in a company could be bought out by a larger, bigger venture firm. The company could be sold.
- Shane Johnson: Yes. Precisely that. Or the company could buy back our stock.
- Melinda Byerley: Right. They could buy you out, essentially. Return your investment.
- Shane Johnson: Essentially. So when we invest in a company as a fund, we ask that question. What is your intention with your venture? And if they say, oh, I don't really know. I think I wanna run it forever. We can't invest. Right? It's just a structural thing.
- Melinda Byerley: Right. 'Cause you have a 10 year horizon. So founders need to understand that if they're not prepared to close out your books, as it were, within that period of time, then, yeah, then they're not a fit.
- Shane Johnson: Right. And so founders sometimes don't understand that. They look at investors as money.
- Melinda Byerley: As wallets with a heartbeat.
- Shane Johnson: Yeah. A friend of mine refers to them as like a [inaudible 00:18:10] ATM. Something like that. At least in our community, we talk about that a lot. What is your intention with your venture? What makes sense for you? So anybody we pass on or who's not a fit with us, part of our mission is to help them anyway. So we offer help. We offer connections. But it's typically we pass on them due to structural things, not because the idea is bad.
- Shane Johnson: The next thing we look at is do we believe the founder's honest. Right? Do we believe-
- Melinda Byerley: How refreshing!
- Shane Johnson: Well, I mean there has to be integrity. I mean, we have virtually no data. A lot of our companies are pre-market or just sort of doing beta testing in the market, trying to figure out their master launch plan. To see if there's a there there. Integrity's really good. We then look at do we think that they can come up with a good plan? And that we make them do that before we invest. So we wanna see at least a plan with some milestones and sort of what are the indicators of success. I'm gonna stay away from the term KPI. I think it's overused. But what are the milestones and the date of those milestones that say you're on plan. Okay.
- Melinda Byerley: It sounds like you work a lot more with start-ups to educate them and to really spend time understanding who they really are. Is that a reflection of sort of the



lower deal flow? In other words, there's so fewer companies that you have the time to engage that way?

Shane Johnson: Yes. I believe so. That's one of it. Our deal flow is pretty light, investible companies in the context of our funds aren't huge. In a year we've deployed, like I said, about a third of the fund, which ... actually a little more than that now. But about 600,000. It is light deal flow. It's not huge. The other thing is that's just part of our thesis. We're gonna work with the companies that we invest in. They know that going into it. We're not gonna tell them what to do by any stretch. We're not one of these funds that gonna come in, demand a board seat, and tell you precisely what you're gonna do. That's the founder's job to actually figure that stuff out. We're gonna help them think about things, maybe connect them with some resources if we can. But we try not to be overly prescriptive.

Melinda Byerley: So it's a bit like Shark Tank. So when you get money from Coast to Crest, they're helping you find distribution or resources or hire people or advise you, like connect you, in addition to just writing a check.

Shane Johnson: Correct. We try to do that. Sometimes, and this has not been the case, but occasionally we'll have a founder that will just disappear. That's fine too. That flavors our intent on follow on and introductions and things like that, though. Because we would like at least them to interact with us more than the quarterly canned update that everything looks wonderful. Because myself, I've been through some start-ups and Joe has been through some, and one of our back office people has been through one. So we know that you have no frickin' clue what you're doing. It's hard, but come talk to us. That's what we hope to.

Melinda Byerley: Do you find that you work mostly with students that are coming out of the University of Oregon, or do you find mid-career professionals are ... there's been a lot of talk about people from California moving up to Oregon. People from Oregon have mixed feelings about that. We don't have to talk about that now, but I'd love to hear your thoughts about there's so much emphasis here in the Bay area on young people, and I'd love your thoughts on what you're seeing up there.

Shane Johnson: Every time I read information on this and get about it, the successful founders are not college students. Those are sort of the mythology that's held up in the press, is look at this young thing. I think the age that's most appropriate is late 30s, early 40s for successful start-ups, based on my reading. That being said, we do get teens out of the University of Oregon and other places that show up. We haven't been pitched by any yet. We get some that come talk to us in the Accelerator. I go and Joe goes and some of our mentors are invited to the University to give feedback in classes on either marketing plans or early stage



pitch ideas or things like that. Most of the college students are trying to see if doing a start-up is for them.

Melinda Byerley: They watch the Social Network a few times and they think it's time to get going?

Shane Johnson: Yeah, pretty much. The whole realm of entrepreneurship is a very sexy thing right now. Young people, middle career people, and even late career people are constantly sort of looking wouldn't it be great to do this. Right? Most of them aren't built for it because of the way their lifestyle is or whatnot, right? They can't take the risks due to family or financial obligations or whatever.

Melinda Byerley: Or they can't raise the capital. They can't find the people, if they're in a community like yours before you existed, they may not have the networks to find that network of private investors that do this work.

Shane Johnson: And we have this weird sort of dichotomy of people who either can do sort of side gigs and do contract work and can sort of fund their life while they're doing their start-up. Or we have a group of people that comes from a background where there's resources made available for them. It may not be an extremely wealthy family, but they have the network and the ability to sort of do things. And that is what it is.

Shane Johnson: One of the things we've been struggling with and trying to do more of both in the fund and in our ecosystem in general is to be more inclusive and more diverse. Oregon, due to historical things in Oregon from a hundred years ago, doesn't have a huge population of people of color so it's hard to get into those communities. We're trying to do more and more in diversity with women. We're very cognizant of the fact that we need to do this. It's not just lip service or anything like that.

Melinda Byerley: How do you do that? I mean, so what we often ... one of the things I've always appreciated about you is that you are very aware of the need to invest beyond the obvious. I'm fascinated by the fact that even in this small community in a state that has not been historically racially diverse, I think it would be instructive to hear how you're trying to go about this and the ways you've tackled it so far. And we're all learning together, so I think it's not ... you don't have to be the expert, but I think sharing what's worked so far, what you think could work in the future.

Shane Johnson: So the lowest bar to reach in terms of diversity, for us, is being more inclusive of non-male genders. Right? And I think that's something that we've been working on. There's a group in town called Redefining Women in Tech who we've worked closely with and we continue to work closely with, who's done a lot for bringing women have, I think historically, felt pushed to the side in Eugene sort of more into the mainstream. We'd really like to even do more of that.



- Shane Johnson: Because of the size of our community and everything, we cannot focus just on tech. We have some marketing communication problems in our community because people think we are just focused on tech. Tech is sexy. From an economic development viewpoint it's super sexy. Because of the jobs are typically very well paying, right? Though we've invested in tech, we've invested in one biotech, and we've invested in some consumer product companies.
- Shane Johnson: So it's sort of a broad spectrum. Part of my personal stuff I've done outside of the fund, I've invested in a local distillery. I do some PO financing occasionally. I also have unsecured debt out, too, consumer product companies. Causes me some heartache sometimes, but our problem is getting capital. And our problem is getting what we term scalable trade to sector start-ups going. We don't focus on agencies. We don't focus on sort of brick-and-mortar retail. There's other things to do that.
- Shane Johnson: We're focusing on businesses that can scale. And we're not gonna be the holy grail of scale, scale, scale. That may be a difference between us and Silicon Valley a little bit. Yes, we like businesses to be able to scale through process, but we also want trade to sector businesses. Our definition is very broad on that, because it gives us, makes our limited deal flow better.
- Melinda Byerley: So a founder here in the Bay area who might wanna raise capital, could they move to Eugene and pitch your fund?
- Shane Johnson: They could move to Eugene, pitch our fund, and we would listen to them. We would have to ... well, no.
- Melinda Byerley: I'm just teasing.
- Shane Johnson: No, but here's the thing. It's not just a show up, pitch us, stay here, and then three months later, oh, I don't like Eugene. I'm gonna leave. Right? We want people to become part of the community. That's one of the goals of our fund and of the whole RAIN Eugene organization. We would love people to move here. We don't want them to move here just out of mercenary, I need capital. It's a resource that's here to help them, but not a cause.
- Melinda Byerley: Right. So if someone's looking to make a lifestyle change, a permanent change, to move to a lovely community that's got this nascent, burgeoning tech community. A big university anchoring that too. Then that's something ... And then to your point, what you said earlier. You want to get to know founders. So you gotta date before you get married. So don't just show up in Eugene and pitch Shane. You've gotta ... and I think this is something the founders sometimes underestimate even in the Bay area. Investors are people. And you have to get to know them as people before you can date them, as you were.



You have to go on dates before you get married, and sounds like that's no different.

Shane Johnson: Yeah. I think that's accurate. I think ...

Melinda Byerley: You agree that investors are people?

Shane Johnson: About 50% of the time.

Melinda Byerley: The rest are replicants.

Shane Johnson: No. You said something earlier and it was absolutely true. Because of our deal flow, we don't have to sort of have this automated process for getting an executive summary in and saying, oh, that's not me, right? With my other hat on, as a mentor with the RAIN organization, I take every meeting. It can be a guy who's building a rocket to prove the earth is flat to somebody who's come out of the university with a cure for cancer. I don't not take meetings because of ideas. I wanna meet everybody, because who knows what that's actually gonna be. We can do that because of our deal flow and because of our mission and all that. Investors in large places, especially if they're visible, I know they just get hammered with cold emails, bad meetings, things like that. I take a ton of that meetings. I kind of enjoy them because I learn about people. But if we had a more vibrant deal flow, it might be limiting in that context.

Melinda Byerley: You have to sift through everything that's not a fit in order to get to what is.

Shane Johnson: And there are even locally with our stuff, there's stuff that's not a fit. But we try to help them. Right? So a lot of consumer product companies, for example, need debt. They don't need investment. It just kills them. In terms of their cap table, in terms of a lot of things. So we try to help them figure out how to get that debt and connect them to resources. That being said, that's a really hard thing.

Melinda Byerley: So it sounds like being in the area that you're in, you have to be more flexible. Because the mission is really about helping scalable businesses in Lane County. There isn't the luxury to specialize or the constraint to specialize. That's something sounds very different from the Bay area where there's so much competition for angel money and so many angels that you've really gotta segment the market in order to get the right [crosstalk 00:32:55].

Shane Johnson: And even in Oregon, there's a propensity for some of the money to be moving downstream. Early stage money is, even in Oregon, getting harder and harder.

Melinda Byerley: Why do you think that is?



- Shane Johnson: Well, it's risk.
- Melinda Byerley: It's risk. So it's just the culture of risk aversion.
- Shane Johnson: Even if you look at the numbers across everybody, money's moving downstream. Right? The late route ...
- Melinda Byerley: Why not? The risk is, if companies have been more derisked and you have a choice, right?
- Shane Johnson: If you have enough money, you can get to play in the later rounds of funding for venture funded companies, right? I think there's multiple reasons for that, and none of them are good or bad. It's just structural. I think there's a huge aggregation of capital that's occurring in this country, which is a social issue. And when you have that aggregation, you get deployment in bigger chunks. And when you deploy in bigger chunks, you have to move downstream. It's the Warren Buffett problem. What moves the needle for Berkshire Hathaway? Huge investments. Same thing for these funds.
- Shane Johnson: We're definitely focused on being inclusive. It's really complicated for us. I mean, culturally the people in the past that have done things in this community, and this is a gross generalization, have been white males. Just the way it is. Because of the history of Oregon, like I said, we do not have a huge person of color population. Portland is much more diverse than we are, and Portland's still isn't a hugely diverse city.
- Shane Johnson: So to that end, right now one of our principle things is just being hospitable. And by that meaning trying to tone down the start-up talk. The jargon. Trying to tone down the sort of, I'm not gonna say classist, but borderline classist stuff of we have events at the local country club, for example. We don't do that, right? Environments that people feel comfortable in.
- Melinda Byerley: Like you had, I think I remember you telling me about the local, it's like a brew pub essentially. You might hold events in a more approachable venue than a country club.
- Shane Johnson: Right. Every year RAIN Eugene does an event called Pitch Stream where people are invited out of the community to pitch and there's prizes. We typically do that and have done it in the past in a venue that's a converted church that has some food available and things like that. So it's more of a community-based space than sort of a membership-based space. That space is converted, so we've now lost that so we're trying to figure out some more welcoming spaces. But we're not trying to pitch the upper class club. Right? The health club where-
- Melinda Byerley: Where people who might be ... where diverse people might feel uncomfortable.



- Shane Johnson: Exactly.
- Melinda Byerley: And therefore not perform at their best.
- Shane Johnson: Part of it is, and I'm by no means, we are not even near success on this. We're still finding our way. But part of the stuff is even when we have networking events or small events, we still have a preponderance of people that are white males of a certain age. And just that can signal sort of inhospit- not being very hospitable. Right? And that's something we struggle with. We're trying to figure that out. It's super important.
- Shane Johnson: Then moving into more of the people of color issue is frankly, we're still struggling in our community to figure that out. It's just one of those things that we have made ... we're thinking about it. We're trying to figure out strategies to do it. And that's something we're working on. But we haven't made much progress on that, frankly.
- Melinda Byerley: I think it's wonderful, though, we can ... that we're actually having this conversation. I don't know if 10 years ago it would even be part of an angel's conv- Angels would say, I'm so focused on deal flow. I don't have time to think about diversity. So I think it's a start to even be talking about it. And I will open this up, because as people are listening to this episode, one of the things that we're trying to do with Stayin' Alive in Tech is to bring people's stories outward. So if you have ideas for Shane, for the Coast to Crest Fund, for RAIN Eugene on some of the questions he's asking, please contact me. I'll happily put you in touch with him or reach out to him directly. He's on Twitter. What's your handle on Twitter?
- Shane Johnson: AlwaysagGoodday1. The number 1.
- Melinda Byerley: The number 1. Or you'll find him interacting with me in a pretty fabulous and funny way. I can also say, and he's not paying me to say it, that the distillery that he's a partner in called Swallowtail Spirits is a, they make premium vodka and whiskey from locally sourced ingredients. And I can definitely testify to the quality of the Navy Strength gin. You don't have to pay me for that. We'll just ...
- Shane Johnson: Okay.
- Melinda Byerley: It's just fun. I love locally sourced stuff.
- Shane Johnson: Expect a UPS package. Just kidding.
- Melinda Byerley: This is my way of sucking up for Navy Strength gin.
- Shane Johnson: Exactly.



Melinda Byerley: One of the questions I like to ask people as we kind of get ready to finish up. It's just a fun question. And I've never asked you this before. Do you remember the first time you put your hands on a computer?

Shane Johnson: Actually, yes I do.

Melinda Byerley: How old were you? Where were you? What did it feel like?

Shane Johnson: I was a freshman in high school in 19-, what was that, 1980?

Melinda Byerley: And where were you?

Shane Johnson: Joseph, Oregon.

Melinda Byerley: Which is, people who don't know it, is pretty far east, right?

Shane Johnson: Yes. It's in the upper northeast corner of Oregon. The town is basically 30 to 40 miles from Idaho and 30 to 40 miles from Washington. The first computer I put my hands on, it was in my math class and it was a TI-30. I'm sorry, what was the early Texas Instruments?

Melinda Byerley: Mine was a ZX-80 that I soldered together in the garage. But I don't know.

Shane Johnson: Yeah. I didn't even know about computers until these things showed up. Not a TI-30, I'm sorry. That's a frickin' calculator. Can't even remember now. Then it was an Apple II, about the same time, when those were first coming out. I believe. It's been so long. But that's where my first exposure was. Did some basic programming with it, very simple stuff. Then I sort of set it aside. I was intrigued by it but I wasn't that intrigued by it. I was, got more into the sciences. I have a biology degree, neuroscience, and the neuroscience got me back into sort of computers because I had to do some stuff with the behavioral work I did. And then I just sort of self-taught myself.

Shane Johnson: Frankly I'm a little bit of a mercenary. What drives me for entrepreneurship is a scorecard, a little bit of making money. If there's a problem to be solved, that's what interests me. It's not that I'm good at anything. And frankly I'm a terrible coder. I'm a hacker. Self-taught. And most people who know anything about me agree. So I look at myself in that context of computers and stuff as definitely a generalist that can do codes, do concepts that can make money with it. And I approach it functionally like that. I don't look at any skill as like any better than anything else. I think marketing is just as important as tech is just as important as operations is just as important as HR finance. Because you need all those pieces.



Melinda Byerley: Well, that's a fantastic place to end. Thank you for your time, Shane, and please keep us posted on how you're doing. Thanks for joining us.

Shane Johnson: Oh, you're very welcome. This has been fun.

Speaker 1: Thanks for listening to Stayin' Alive in Technology. We want your feedback and comments. Find us on the web at stayinaliveintech.com where you can talk to us, learn more about the show and our guests, and subscribe to the show. Follow us on Twitter @stayinpodcast. Until next time, keep Stayin' Alive.