



NIGHT LIFE LESSONS

**How I Conquered the
Business of Partying with Tech
and a Glimpse into Its Future**

Shane Neman

BUY THE BOOK



Everything Shane Neman needed to know about business and life he learned in the gritty, chaotic New York City nightclub scene.

In *Nightlife Lessons*, Neman takes you behind the velvet ropes so you can too.

With sharp insight, humor, and gratitude, the three-time startup founder and venture capitalist shows in this unlikely business book how with tenacity and ambition, you can transform any industry.

In the pre-social media and camera-phone days of the new millennium and fresh off his failed first business, Neman was starting from scratch with no budget but a huge idea: bring the hopelessly outdated event promotion and hospitality worlds into the digital age.

The result is JoonBug, which blended his passion for partying and nose for technology to become a multimillion-dollar stepping stone to serial entrepreneurship and a grounded personal life.

Neman connects with a wide range of players: from drag queens, ravers, and club kids, to celebs, Wall Street suits, and bridge-and-tunnel partiers, to the city's most influential club owners and promoters. Using Neman's tech innovations, all mix and mingle at iconic venues, whether dilapidated warehouses or Swarovski-studded alcoves of luxury.

Nightlife Lessons is packed with perceptive takeaways from his comeback, advice on how industry insiders still need to evolve, and predictions for how partiers will experience nightlife in the future.

Neman's business path is an inspirational ride through New York's hot spots. If you can make it there, you can make it anywhere . . . and take it with you everywhere.



JOIN THE PARTY WITH ENTREPRENEUR SHANE NEMAN

"I've been working in venture and technology for a long time. What Shane and his team were able to do, in terms of re-inventing the business of nightlife, is a fantastic example for entrepreneurs and investors at all levels. Each 'nightlife lesson' is a gem."

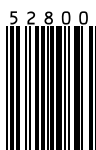
HOWARD MORGAN, founder of First Round Capital and Chairman of B Capital

SHANENEMAN.COM

amplify
an imprint of Amplify Publishing Group

ISBN 978-1-63755-681-8

US \$28.00
CAN \$37.00



9 78 1637 556818



www.amplifypublishinggroup.com

***Nightlife Lessons: How I Conquered the Business of Partying with Tech
and a Glimpse into Its Future***

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The author has tried to recreate events, locales, and conversations from his memories of them. In order to maintain their anonymity in some instances, the author has changed the names of individuals and places, and may have changed some identifying characteristics and details such as physical properties, occupations, and places of residence.

For more information, please contact:

Amplify Publishing, an imprint of Amplify Publishing Group
620 Herndon Parkway, Suite 320
Herndon, VA 20170
info@amplifypublishing.com

Library of Congress Control Number: 2023901529

CPSIA Code: PRV0323A

ISBN-13: 978-1-63755-681-8

Printed in the United States

PRAISE FOR

NIGHTLIFE LESSONS

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HOWARD MORGAN

founder of First Round Capital and Chairman of B Capital

“The essence of nightlife is pushing boundaries while having a great time, and Shane Neman lived that out in one of the industry’s most interesting periods: the late ’90s and early ’00s. His book is a real insider’s take on those years, which makes it a fun read—but it’s also a revelation, the story of how the mechanics of nightlife completely transformed, largely because of Shane and his team. For anyone who wants to know more about business, technology, and the nightlife biz itself, this book delivers.”

STEVE LEWIS

“Godfather of NYC Nightlife”

“I’ve been a technology business investor for many decades and Shane has truly captured the essence of entrepreneurship in *Nightlife Lessons* in a way no other book has. If you want to learn about grit, hard work, and innovation, then this book succeeds, with a generous dose of humor and entertainment that won’t put you to sleep like most other cliché business books.”

HENRY KRESSEL

engineer of the first fiber optic laser and partner at Warburg Pincus

“Like a delirious night of clubbing, *Nightlife Lessons* gives you the ups and downs of the entrepreneurial life from someone who has lived it up close and shaped its evolution for more than two decades. Shane Neman uses his past leveraging of technology to help you understand the industry as well as the continuing value and tech revolution coming in the future.”

JEFF GROSS

professional poker player

“*Nightlife Lessons* is an engaging walk down the best of memory lane, but more importantly, it’s a story that exemplifies positive disruption and the redefining of an industry. As a seasoned hospitality investor, I highly recommend it!”

MARC BELL

financier and entrepreneur; CEO and founder, Terran Orbital

“Shane is one of the best storytellers I know. I can listen to (or read) him endlessly. *Nightlife Lessons* is packed with creative and helpful advice from the perspective of a tech-nerd-turned-entrepreneur in a dynamic industry. This book reads so smoothly you’ll wish the night went on longer when you reach the end.”

DARIUS FOROUX

author of *Think Straight* and *Do It Today*

“*Nightlife Lessons* is a highly readable return to New York City in the 1990s, through the lens of the city’s legendary club scene. My friend of many years, Shane Neman, explains how he built not just a business but a tech enterprise during those years. An insightful book with lessons for entrepreneurs, investors, and nightlife aficionados alike.”

RONN TOROSSIAN

founder and CEO of 5WPR

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PREFACE

Getting In

ON NEW YEAR'S EVE, 1990, I got my first taste of a New York City nightclub. I was only in eighth grade then: a young Jewish kid, born in Brooklyn, and living in the Long Island suburbs. But that one foray into the world of nightlife was the turning point that put me on the path to success. In the unlikely ecosystem of NYC nightlife, I learned invaluable lessons that allowed me to build not one, but two incredibly successful startups from the ground up. Those experiences also have given me a unique perspective as a venture capitalist when I back fledgling companies and entrepreneurs. This book explains those lessons in detail. My hope is that it will help other entrepreneurs on the path to success, and that we'll have some fun along the way.

New York Legends

NYC nightlife in the nineties was legendary. Cutting-edge music pulsed through outrageously themed rooms in cavernous, multi-level mega-clubs such as Limelight, Palladium, and Club USA. Mobs of people lined up outside, eager to experience life outside normal, everyday boundaries.

The typical crowd at this kind of club was eclectic in the extreme, a brash mix of stereotypes—iconic, costumed Club Kids, drug-addled ravers, Eurotrash, drag queens, “bridge-and-tunnel” New Yorkers (non-Manhattanites who would come in from the outer boroughs), the gays and lesbians, downtown art hipsters, waiflike heroin-chic models, yuppies, preppies that went to the NYC “Ivy League” high schools like Dalton and Riverdale, Wall Street suits, and of course, celebrities.

It was unreal to walk into a club crowded with all these people, getting a chance to experience each other, learn from each other, and have fun with each other. There was nowhere else you could find this kind of diversity, chaos, and creativity. It was as though society itself had been amplified and turned in a kaleidoscope.

Old for My Age

Fourteen was young to go party at a club like that, but as far back as I can remember, most of my friends were older kids, usually by several years. Maybe it was because I was tall, or maybe I acted mature for my age. In any case, some of my older friends got their hands on VIP tickets for a club called Elements on New Year’s Eve, 1990. They offered tickets to me and a couple of other kids my age in our friend group, and we took them up on it, hardly believing our good luck.

A few nights before the party, one of the guys drove to my house to drop off my ticket. I met Mayer outside and gave him seventy-five bucks for it, which was more than half my savings.

The ticket itself was thin white cardstock. “New Year’s Eve 1990” and the Elements logo were stamped on it in glittery, old-style cursive. Underneath were the words “Admit One - VIP (21 and Over).” I couldn’t take my eyes off it!

I asked my mom for permission to buy the ticket and go. Even though I was only in eighth grade, my mom didn’t give me a hard time. She knew I was a responsible, preppy, and even geeky kid—not the type to look for trouble—and trusted me to be careful. I gave her the names and phone numbers of everyone I was going with, and she gave me a ride to the train station and a mini-lecture on safe sex and the dangers of drugs and alcohol.

My mom was always super open about things like that, which was something I really appreciated. But to be honest, I wasn’t even close to experimenting with those things at that age. Even when I was in college and frequented clubs like SpyBar, Life, Au Bar, Cheetah, Veruka, and Suite 16, I never got into drug use or heavy drinking. Plus, as a teenager in middle and high school, just the cost of getting into clubs on a regular basis really added up. I didn’t have the money to play around with those kinds of experiences! So, I went through the ’90s’ club scene without getting into the harder side of things, and in fact, was often oblivious to it.

As I handed over the seventy-five dollars, and received my ticket in return, I asked about a worry that had been nagging at me since I heard about the party. Would this even work? Would I actually be able to get *into* the club? Sure, I was old for my age, but still—I was only fourteen. Mayer brushed away my concerns.

“Don’t worry, Shag,” he said, grinning. (“Shag” had been my

nickname since elementary school, because of my shaggy haircut.) “Just say you’re with Fred Asher’s group. He’s the one throwing the party. You’re in good hands. You’re gonna have the time of your life.” He threw his car into gear and started driving away, tossing a final word of encouragement over his shoulder: “This is going to be the best party NYC has ever seen! Trust me!”

Getting In

I got to the station at about seven thirty that night. Figuring out what to wear had been a real problem; the only clothes I had for parties were a suit and tie that my mom had bought me to wear to friends’ bar mitzvahs. In the end, I decided to go with as simple an outfit as possible: black jeans, a black Honest Belt with a silver buckle, and a black Hanes T-shirt with the sleeves rolled up precisely two folds. Black suede Dr. Martens and my Schott leather bomber jacket completed the look. It was as cool as I was going to get.

Cool was right. This was New York in December, and I was *freezing*.

But looking the part, or at least trying to, was way more important than being warm! I joined my friends, feeling super excited in spite of the cold, and we all huddled into a circle, trying to keep warm. Everyone was talking loudly and giving each other high fives. We were sure there was a great night in store for us, and the anticipation was exhilarating.

The excitement stayed with us through the entire forty-minute train ride to Manhattan. Some of the older guys had brought mixed drinks with them in water bottles and were already getting started on their night of hard partying. Others, like me, were just happy to be along for the ride—that was a big enough high for us!

Another freezing wait in the cold, a quick cab ride, and we were finally at the club. From the outside, Elements looked like nothing more than a big warehouse in a seedy part of town, slightly graffiti-ed and situated on a nondescript, even desolate street. And although the event was supposed to start in five minutes, there was nobody outside except us. Typical rookie mistake.

Awkwardly, we lined up alongside some velvet ropes leading to the open, pullback gate. After about ten frigid minutes, a tall, good-looking European man came out. This was the era of doormen: enigmatic, powerful, and often eccentric characters in the nightclub ecosystem. Some of them, like Kenny Kenny (a cross-dressing Irishman with an outrageous life-as-art wardrobe and an even wilder attitude) and Aphrodita (who really did look like a Greek goddess but was in fact a sixteen-year-old girl with a penchant for '70s fashion), became celebrities in their own right. They were literally the gatekeepers to that world!

“Can I help you?” the doorman asked.

In unison, we all produced our white tickets and started explaining that we were with Fred. For some reason, this caused him to roll his eyes and sigh. He glanced at our tickets, and then told us disdainfully that we were in the wrong line. “This is for the General,” he said, indicating the line we were standing in, on the right side of the door. “You need to be in the VIP line.” He gestured toward the line we were apparently supposed to be in.

We looked at each other. The “line” he was pointing toward consisted of another set of velvet ropes, on the opposite side of the same door, a few feet from where we were standing. Both lines led to exactly the same place.

Not knowing any better, we awkwardly filed out of the General Admission line and around to the VIP side, where we waited,

shivering, for another fifteen minutes while he pretended to be busy and fussed with a clipboard. Finally, he took our tickets, grudgingly removed the ropes across the entrance, and let us inside.

It was a relief to be warm, and an even bigger relief to have gotten past the door! The first thing we did was troop to the coat-check area and hand our coats and jackets to the woman working there. She gave us each a red bracelet, explaining that they gave us access to the open bar and VIP areas. I was so excited that I gave her my jacket and then walked away to explore without waiting for my coat check ticket. She had to chase me down and give it to me!

For about an hour, my friends and I were the only people in the whole joint. It made things kind of strange, but the music, lights, and whole atmosphere were enough for us to be more than happy. For me especially, the experience of being in the city without my parents, in an amazing nightclub (where I was technically not even allowed to be), made me feel super cool and grown-up.

Eventually, people started showing up, and it seemed like every person who walked in was more gorgeous, stylish, and sophisticated than the one before. The men were all handsome, the women were all super-hot, and everyone was much older than we were—they were adults! All of them were wearing jaw-dropping evening wear, some of it ultra-formal and some of it outrageous and funky. These were clothes that were obviously haute couture, or else the latest thing by some up-and-coming designer no one had even heard about yet.

It was an eye-opening sight, and I realized that compared to these partygoers, my friends and I all looked like big *duds*. Oh well, I thought. At least I hadn't gone with the dorky bar mitzvah suit, as some of my friends unfortunately had. Either way, it wasn't going to faze me: I was determined to have an awesome night.

In the House

We decided to split up into two- and three-person groups to explore. My friend Miron and I teamed up, pushing our way through the growing crowd to get to—well, we didn't know where, exactly, but to get *somewhere*. We left the bar, with its chill electronic and pop music, and soon found ourselves in an all-black room with a seamy, grimy vibe and hip-hop music pounding through the sound system.

That room was fun, and we hung around for a little while, dancing a bit to some of the songs we liked. When we started to get bored, we headed downstairs, where we found a much smaller area with just a dance floor. The DJ was blasting house music, and the strobe lights flashed to the beat.

Until then, I had been veering between extremes of feeling incredibly excited to be somewhere so out of my league, and feeling incredibly out of place, sipping at a Sprite and pretending it was a vodka soda. Basically, I had no idea what I was doing. Miron, on the other hand, was downing beers with a certain amount of expertise; even though we were the same age, he was fairly experienced at getting drunk and was already on his fifth beer or so.

But when we got to that room, all my concerns about fitting in melted away as I listened to the music. At that time (and sometimes even now), my favorite music was deep vocal house, and the songs the DJ played were like nothing I had ever heard. I made a mental note to ask him where I could buy songs like that, because they definitely weren't available at the Tower Records I went to.

At that precise moment, through the darkness, strobe lights, and music, someone grabbed me by the front of my shirt and pulled me forward. Suddenly I found myself dancing, *very* closely, with a tall, beautiful blonde. Like me, she was dressed all in black: a silk top, leather pants, and a bomber jacket much like the one I

had checked at the entrance. She was alluring, sophisticated, and seemed a lot more mature than I was. Looking back, I guess she was probably only a girl in her early twenties, but to me at that time, she was a woman!

It took me a moment to take stock of the situation and calm my nerves. I played it cool and concentrated on dancing with her. After a minute, I tried to say something—but I could hardly hear myself over the music, let alone what she said in reply. I just kept nodding my head, trying to keep things flowing. The most important thing was for this experience not to end.

Looking around for Miron, I saw that he was in the same position as I was, dancing with another girl who seemed to be friends with the one I was dancing with. I chuckled inside, feeling happy for him.

To my complete shock, as I turned back to my dance partner, she pulled my shirt again, and this time she was coming in close for a kiss. I couldn't believe what was happening. But I went with it, and our passionate kiss lasted what felt like fifteen minutes.

I was on a major endorphin high when the kiss ended, but another curve ball was coming. Her friend suddenly left Miron and stalked over to us, grabbed my dance partner by the hand and dragged her away. They left abruptly, with no time for goodbyes or even exchanging names. I was in shock all over again, crashing from elation to utter disappointment.

But nothing could bother me for long. Miron and I looked at each other, knowing that what had just happened was many teenage boys' dream come true. We gave each other a big hug and high-five. Then, grinning ear to ear, I went to the DJ booth, my adrenaline still pumping, and asked the DJ about the last few songs. Carelessly, he flipped me a cassette tape of his most recent mix, saying that all the songs I had just heard were on it. It was the ultimate cherry on top.

A Substance-Free Bender

At about five in the morning, we all finally found each other in the rapidly emptying club and made our way outside into the frigid gusts of winter. Feverishly talking over each other the entire time, we waited for cabs and went back to Penn Station, where we boarded the train and headed home. That train ride was one long competition. Everyone wanted to be the first to get their story out, and each person had had something funny or crazy to tell, from hooking up with a girl like Miron and I had, to meeting a celebrity, or passing out drunk for half the night, only to wake up in the bathroom.

From the raucous reactions of our group, it was clear that Miron and I had the greatest tale to tell—everyone was enthralled with our story! They were all asking me to make copies of the tape the DJ had given me, and I could hardly wait to go home and play it on my stereo. (I didn't have a TV in my room at that time, but I did have my own boombox stereo!)

We were amped up all the way back to Long Island, and some of us were crashing at our friend Ramie's apartment. The apartment belonged to his parents who had been doing some construction there, and almost all the furniture was gone. But we didn't care. We rolled up our jackets for pillows and lay on the floor, still too exhilarated to sleep.

It was about noon when my mom came to pick me up. She was full of questions. How did I feel? How was the party? Had it been fun? But by then, exhaustion was setting in, and all I could manage were terse, one-word answers: fine, good, yes, no, OK.

As always, my mom was very understanding, and let me be. I was thankful to her for that because it was starting to feel like my brain might melt. Once we got home, I ate a big bowl of spaghetti

with homemade Bolognese sauce and headed to my room. I fell asleep walking up the stairs.

The clock said seven when I finally woke up. It was dark outside, obviously evening; I made my way downstairs, where my mom asked again how I was feeling and how the party had gone. This time, I was wide awake, and told her all about it—how much fun everyone had, how great the music was, how cool the club was, how the doorman treated us, how we were so noisy and laughed so much on the train ride home, and how there was no furniture at Ramie’s house. The only thing I left out was the part about making out with the hot blonde ten years older than I was. That seemed like a detail best kept private.

It felt great to relive my adventure, and when I was done, there was a contented silence. Then my mom asked me when I was going to get my homework done. I looked at her strangely. “Why would I be doing homework on Saturday night?” I asked.

Now it was her turn to look at me strangely.

“My love . . .” she said, “It’s *Sunday* night. You’ve been asleep since we got home yesterday. I checked on you a few times, but you were sleeping so soundly, I just let you be.”

I went from feeling happy to shocked and then super-bummed. What a moment to have to sit down and get started on homework! I’d had my first bender at the age of fourteen, without getting drunk, or high, or even knowing what the word “bender” meant. And I lost a whole day of my life sleeping it off.

But it was a night I would never forget. New Year’s Eve of 1990 sparked in me an insatiable taste for the gritty, chaotic whirl of NYC nightlife, which would last through high school, college, and beyond. Even after graduation, I was a regular at Pangaea, Rehab, Marquee, Cain, and other hotspots.

Nightlife, in turn, would provide a springboard for big lessons in my professional life, which made it possible for me to succeed beyond all my expectations—first with JoonBug, a company that created a suite of software solutions that brought event marketing and promotions into the digital age. JoonBug was the first to build a technology stack that included digital photo purchasing and social sharing, e-ticketing systems, and targeted email newsletters. In a period of eight years, I built JoonBug to over \$25 million in annual revenues.

Afterward, I put those same lessons to work at EZ Texting, an online SMS messaging platform for businesses. EZ Texting rapidly grew to annual revenues in the high seven figures before its acquisition by CallFire in 2013.

Now, I'm a prolific venture capitalist, backing a diverse set of startups, as well as a real estate investor managing a portfolio of more than twenty properties in major metropolitan areas across the U.S. And yes, I am still indebted to, and reaping the benefits from, those first invaluable nightlife lessons.

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INTRODUCTION

You've Been Bitten by the JoonBug

THE WORLD OF NIGHTLIFE IS a world of mystery, chaos, and potential. The people and the experiences associated with that two-in-the-morning existence just seem to produce electric, out-of-the-box ideas.

I have seen the nightlife industry propel some of the more interesting characters in entrepreneurship not only to stardom but to great wealth. For me personally, the nightclub and events scene in New York City proved to be a steppingstone to success in my career, as well as in my personal life.

The Lowest Point

It was late 2001, just after 9/11. Americans, especially New Yorkers, were reeling from that shocking national tragedy; no one really knew how to process the horrible events that had just taken place.

Depression and confusion were almost tangible, like a dismal fog everywhere you went.

It was also around this time that the tech bubble burst, and like many other entrepreneurs in the tech industry, I found myself out of a job. Despite having a viable and innovative product, enthusiastic investors, and an engaged customer base, the tech startup Offyx I had founded with my friend Jon went bust during the dot-com crash.

All of this came on the heels of a long, draining period in my life. I had worked obsessively to get into medical school, only to realize that, as much as becoming a doctor had been my dream, it was a career that made me miserable. The decision to drop out had been agonizing.

That was also the same period in which my mom had suffered a debilitating stroke. Thankfully, she partially recovered, becoming self-sufficient once more, but it was a very hard time not only for her, but for me as I cared for her in the years of recovery.

Lightbulb Moment

I had no particular place to go. Nothing to do. It was my lowest point, and in the vacuum, late nights became commonplace. I found myself sitting in club after club, night after night, thinking things over. And during that time, I noticed something.

Club owners and promoters were busy doing whatever they could to attract crowds and sell tickets. But as I sat watching them, I began to notice that most of their efforts seemed ineffective, even backward. They were printing flyers and mailing them, or, worse, handing them out—to distracted, tired, or just plain drunk patrons

leaving the club! One guess as to where those flyers went: right into the gutter, or the trash if they were lucky.

Club owners and promoters also employed “list-girls.” These girls were tasked with carrying clipboards around the club each evening, asking patrons for their phone numbers, and writing them down by hand. The following day, cold-callers would call those numbers and invite the people on the other line to more events. It all seemed very outdated and unevolved; I couldn’t imagine the system was cost-effective, or the success rate very good.

I also discovered that there was not a single website online where you could do a quick, basic search of what was happening on a given night in New York City. With that realization, all the pieces fell into place. I decided that bringing club promotions into the modern, digital world would be my next business.

Nobody Knows Like Guastavino’s

At that time, I was dating a girl named Ariana Gordon (now Ariana Stecker). She and I were both from Great Neck and had a ton of friends in common, but she had gone to North High while I went to South High, and somehow, we’d never met until we were in our twenties. Appropriately enough, we first met at a club.

My friend Craig Koenig was head promoter of a club called Opera in West Chelsea, and Ariana regularly worked the door there while attending the Fashion Institute of Technology. I started going to Opera every Saturday night, and more often than not ended up hanging out with Ariana outside of the club in the early morning hours, when everyone had left.

Before long, we were seriously dating. A short time later, my

friend Jon and I launched our tech startup, Offyx, while Ariana graduated and went to work for The Miami Project for Curing Paralysis, organizing big fundraisers like celebrity events and auctions.

When Offyx went bust, I went broke, and Ariana and I moved in together. We rented a small studio apartment on 58th Street, between First and Second Avenue, sharing the rent to make things easier on both of us.

The first night of living in our new place, we took a walk around the neighborhood. Our walk led us underneath the 59th Street Bridge, where we were amazed to find something neither of us expected: a gigantic, gorgeous restaurant, built right into the arches of the bridge. It was called Guastavino's, and it is still up and running as a luxury event space in NYC.

It was brand new, with a sleekness of design that rivaled the best venues either of us had ever seen. Obviously, it had cost millions to build out, but bizarrely, neither Ariana nor I, with our years of experience and extensive contacts in NYC nightlife, had any idea that it existed.

I looked at Ariana. "We should do a party over here!" I said. "I can't believe nobody knows about this place—it's probably the sickest venue in all of NYC right now!"

For a week, we walked past Guastavino's every night. And each time we passed by, it was basically empty, even on the weekend. Granted, it would have been hard to fill it up; even with 1,500 people inside, the place was just so big that it would still look empty.

As we staked it out, the vision became clearer and clearer. Ariana and I would throw a Halloween party there, which would fit the look of the place very well. And we would be able to pack it, because absolutely everyone went out on Halloween. The only question was, "How?"

JoonBug Is Born

Together, Ariana and I worked and planned and held our first event at Guastavino's. Innovating and evolving club promotions was going to be my new business, and this was my first shot at it. My idea was to create a website to promote the party, and to hand out special invitations that would direct users to our website.

To register the site, I needed to think of a name. In the 1990s and early 2000s, as new tech companies popped up everywhere, rocketed to fame, fizzled out, and generally became a whole new industry, naming startups was less of an art than a guessing game. Many of the most successful ones had odd (but catchy) names that really had nothing to do with the businesses themselves: think Yahoo, Google, Amazon, and many more.

I came up with "JoonBug" while on a phone call with my uncle Payam. As he and I chatted about this and that, I overheard his wife, Meredith, ask him something. As always, she called him "joonbug."

It was a special nickname she'd made up. In Farsi, "joon" is a common endearment meaning "my life" or "my soul." Meredith didn't speak Farsi, but she'd picked up the term and made it her own, combining it with "June bug." It was cute, catchy, and unusual. I instantly thought, "That's it!"

A few clicks later and I had joonbug.com registered with Network Solutions, the only domain registrar around at the time. I tried to buy junebug.com as well, in case of misspellings, but it was already taken. Still, having one of the two domain names was good enough.

Then I had to build the website and design a logo. Building the website I could do, for sure, but the logo was a lot trickier. In spite of all the programming I could churn out and the sophisticated code I could write, I was a complete dope when it came to graphic design. However, with a budget of zero dollars, I had to go with whatever I

could manage to make on my own. No hiring, no purchasing, and unfortunately, no surplus of YouTube tutorials like there are today!

With “JoonBug” in mind, I envisioned a ladybug, and drew a circle using the circle tool. Then I drew a straight black line across the circle near the top, for the ladybug’s head. Another straight line down the middle separated the wings. I added small circles here and there, filled with black, for the ladybug spots. Finally, I filled the rest in with red. Voilà! A logo that was simple, workable, and best of all: free!

Now I could get into the nitty gritty of the actual website. In its early stages, joonbug.com had only two sections, one for photos and one for events. In time, as JoonBug grew from a simple website to an events powerhouse, we would add sections for digital ticket sales (long before Eventbrite), photo sales, ads, and even a dating app! But the real lifeblood of JoonBug was on the backend of the website: our database of subscribers. The Guastavino’s party alone earned us tens of thousands of subscribers. From there, the number only grew!

Why Own the Club When You Can Own the Tech?

The heart of JoonBug’s success was simple: while the rest of the nightlife world was focused on bottles and models, we were focused on data and tech. When I walked into a party, I didn’t see a thousand people in a club. Instead, I saw a market segment, part of a much larger network of millions, that could be monetized digitally.

For us, it didn’t matter how much you were spending on Grey Goose, it mattered that you connected with us so that we could keep you in the loop. If you were invited to Butter on a Monday

night by a promoter, you were only helping the owners of Butter make a profit. But if you were part of the JoonBug database, we could invite you to the hottest events at Butter, Marquee, TenJune, Pacha, and everywhere else.

To build JoonBug, I wasn't sitting in the back of a club, surrounded by models drinking vodka and Red Bull. I was hustling around from club to club until four in the morning, and then getting to the office by nine to make sure that my employees were at work and the previous night's photos were uploaded on time. The club owners may have had the monopoly on celebrities, high rollers, athletes, media, and VIPs, but we controlled the masses—and that's where the money came from.

Our Guastavino's Halloween party amassed a database of over 25,000 young, urban professionals. Over the next five years, JoonBug's database grew to over a million subscribers, all people with a ton of disposable income who went out regularly in NYC. That was, and is, a very important demographic for a lot of companies, so you can imagine how major brands like Johnnie Walker and Mercedes loved us! We had the attention of one of their most elusive audiences, and that audience was literally opting in to hear what JoonBug had to say.

With our database and stratification techniques, we could fill places as small as fifty guests, all the way to tens of thousands. We could segment our information based on demographic data like age, sex, musical taste, disposable income, and favorite places to go out, chopping up the data to target the exact audience the event was trying to reach.

For example, we worked with Johnnie Walker to target men between the ages of 25 and 35 who made over a \$100,000 annual salary and lived in NYC. Those guys in our database would be sectioned out for

special invites to Johnnie Walker tasting events. Or when designers had sample sales in NYC, we would target the women they wanted to reach. And by emailing the people in our database who liked a certain type of music, we could sell out huge raves.

As our website traffic exploded, we were able to employ over a hundred photographers around the city, selling digital and print copies of their work, and all of this was way before Snapfish or camera phones were a thing. At that time, decent digital cameras cost thousands of dollars!

We expanded into new markets as well, covering events in other major cities, and marketed an email newsletter that gave our subscribers the latest info on nightlife possibilities. Club owners and promoters paid to be included in our newsletter, and corporate sponsors from Mercedes to American Express lined up to put ads on our website.

Our digital ticketing system allowed us to sell tens of millions of dollars in high-priced tickets in the cities we covered. By the time I sold the company, we were doing hundreds of events in New York City alone, from clubs such as Capitale, Marquee, and Cain to family venues such as Dave & Buster's in Times Square.

Everyone else? Still writing down names and numbers on sheets of paper.



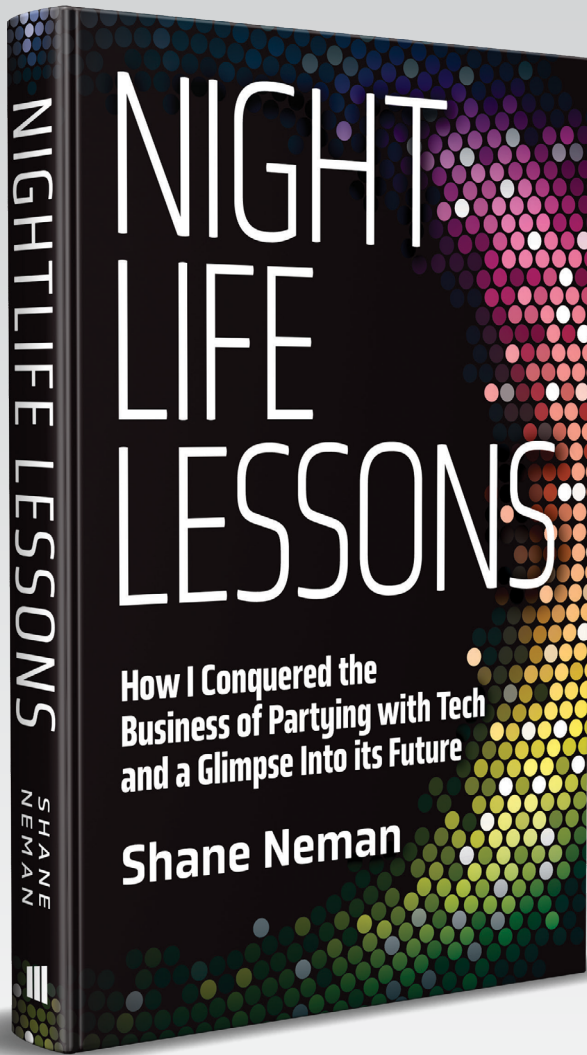
ABOUT THE AUTHOR

SHANE NEMAN IS A SERIAL entrepreneur, venture capitalist, and real estate developer. After dropping out of NYU Medical School and failing at his first startup during the tech-bubble bust of the early 2000s, Neman started over. He built his second venture, JoonBug, into a multimillion-dollar digital events powerhouse that thoroughly disrupted the outdated events and hospitality industry. He subsequently founded a successful SaaS business, EZ Texting, the largest business SMS software platform in the United States.

Now, as a venture capitalist, Neman is a prolific backer of startups, including Impossible Foods, Athletic Greens, SandboxAQ, Cirkul, Flexport, Convoy, Prose, Kraken, Obe, Deep Sentinel, Anvyl, Future, MapAnything, VinePair, Hyperice, and Gupshup.

He is also an investor, developer, and manager of various real estate properties from commercial shopping and industrial centers to large residential buildings, running a portfolio of over twenty properties in major metropolitan cities across the U.S. Although a lifelong New Yorker at heart, after thirty-eight years Neman moved to South Florida, where he currently resides with his wife and kids.

For exclusive outtakes from the book, including thousands of party photos, visit: WWW.NIGHTLIFELESSONS.COM



From Prominent Investor,
Developer, and Entrepreneur
SHANE NEMAN

Everything Shane Neman needed to know about business he learned in the gritty, chaotic New York City nightclub scene.

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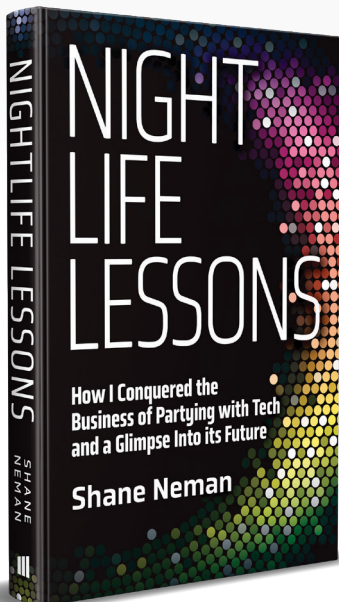
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IN AN INTERVIEW, SHANE NEMAN CAN SPEAK TO...

- Turning your passion into an entrepreneurial venture
- The need for flexibility and agility in the start-up world
- The future of the nightlife industry
- Today's emerging tech & how it impacts entrepreneurs
- Why disruptors and dreamers hold all the cards when it comes to business success



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ISBN: 978-1-63755-217-9

Distributed by: Amplify Publishing, Ingram, Baker & Taylor, American West

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an imprint of Amplify Publishing Group



