



How Mentoring Helped Rake In \$1.3 Million During A Recession

“Earbuds” as a term did not enter the average American’s lexicon until a few years ago. But, with the advent of the iPod and other handheld devices, more people began jabbing pieces of plastic into their outer ear. With all of this jabbing, another term became synonymous with earbuds – pain.

This was certainly the case for avid triathlete and entrepreneur Seth Burgett. He was frustrated with his earbuds either hurting or falling out. So, in April 2008, he began to get the business plan together for Verto Medical Solutions, a company that would create custom-made earbuds.

Burgett was facing some pretty big odds: St. Louis is not renowned for its startup financing accessibility. The end of 2008 was about the time that many bankers were waiting for the world to end, so the little amount of credit they would give out was not available.

But, Burgett was able to slam dunk these odds. Today, a little more than a year later, Yurtopia (aka Verto Medical Solutions) has closed \$1.3 million in financing from accredited angel investors. They also have an additional \$275,000 in the pipeline.

How did Burgett and his team fight insurmountable odds with a simple product during the worst recession we have known? According to Burgett, one of the biggest reasons was finding mentors he could trust.

The word mentor has been used synonymously with role model, adviser or wise counsel. In business, a mentor has no vested interest in the company, no money at stake and is not paid by the protégé. They create a place for entrepreneurs to bring their biggest challenges and get key advice.

“I have had personal mentors from a young age, so I have always valued getting the advice of others,” says Burgett. “A mentor acts as a safe harbor for your ideas.”

Knowing mentors would be integral to his success, Burgett sought them out and found Pete Peters from Innovate Venture Mentoring Service (IVMS) and Jim Brasunas from the St. Louis IT Entrepreneur Network (ITEN) while networking at a Missouri Venture Forum meeting. According to Burgett, IVMS helped them to better define their market need and ITEN gave them a structured way to approach investors.

“The mentoring polishes what you are doing to the point that the investor will engage you,” says Burgett. “The people that are beating their heads against the wall looking for investors usually continue with the same plan and the same pitch over and over. Both IVMS and ITEN helped us shape the plan, the pitch and team to the point that we were attractive to the right investors. Our problem is not finding an investor. The problem is getting in front of enough qualified investors and engaging them in a way that is meaningful. That is what mentoring has allowed us to do.”

Before engaging with a mentor, Burgett encourages other entrepreneurs to first develop a thick skin. You’re going to hear a lot of truth about your idea that you may not want to hear.

“Sometimes you leave a mentor meeting, and you feel pretty bad,” says Burgett. “You have to have a strong will and a desire to make your business better. You will get beaten up and I’ve learned that you don’t take it personally.”

Also, he stresses that entrepreneurs should know that they don’t have to take all of their advice. Instead of putting all his mentoring eggs into one basket, he uses the Delphi method of asking the same question of several trusted advisers to get an accurate, data-based response to his problems.

Burgett advises entrepreneurs that are looking for mentors to start with IVMS or ITEN. Other options would be friends and professionals that are leaders in the industry that you are going into.

“I think we would have been successful even if we did not have mentors, but it would have taken a long time to get here,” says Burgett. “They have accelerated our path.”

Jeremy Nulik is the creative energy officer at St. Louis Small Business Monthly. He has had the undeserving fortune of having many mentors in his life. For a list of places to find mentors, email him at jeremy@sbmon.com.