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Tuned in: Yurtopia targets \$5 million in revenue

St. Louis Business Journal - by [Diana Barr](#)



Brian Cassidy

Seth Burgett and Rich Daniels are two of the three co-founders of Yurtopia, whose first product is a custom-fit ear tip for earbuds used with iPods and cell phones.

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A local triathlete's startup company has hit the ground running, having netted distribution through a major electronics retailer and kudos from **Forbes magazine**.

St. Louis-based **Yurtopia** LLC's custom-sized earbud headphones for iPods, cell phones and similar devices will debut Oct. 11 in more than 40 **Best Buy** stores.

This week, Forbes magazine named Yurtopia to its list of America's Most Promising Companies. Yurtopia is based in the Center for Emerging Technologies incubator in Midtown.

Local triathlete Seth Burgett, president and CEO of Yurtopia, came up with the idea when he found that his earphones were uncomfortable and often fell out. "I spent \$180 for custom earbuds from the audiologist, and I still wasn't happy," he said. "They gave me headaches."

Yurtopia developed a patent-pending imaging technology to digitally scan an individual's ears and produce a soft, custom-size ear tip that attaches to the earbuds.

The company's Yurscan technology uses an iPhone picture of customers' ears to read ear size and shape and find the best-fitting "Yurbuds" from six on-the-shelf models. They retail for about \$19.99.

Yurbuds will be test marketed at 43 Best Buy locations, primarily along the East Coast; none of the locations are in St. Louis, with the closest being in Chicago and Minneapolis. Burgett said all the locations will be the retailer's stand-alone Best Buy Mobile locations, which primarily cater to wireless users through mall locations. The product also will be available through BestBuy.com.

Burgett declined to disclose the financial terms with Best Buy but said that if the test goes well, Yurbuds could be rolled out to 1,000 of the retailer's stores in 2010. Burgett said the company has targeted first-year revenue of \$5 million.

Premium Retail Services of Chesterfield is providing the on-site personnel training for Yurbuds' launch at Best Buy.

Yurbuds are being promoted at marathon running events nationwide this fall, including in Dayton, Ohio, and Seattle.

Inventor Phil Baker, author of “From Concept to Consumer,” said fitted devices have always been part of the hearing aid market, but that earphone products have become more common in the last year or two. However, custom ear molds run from \$25 to \$75 per ear, so Yurtopia’s price point is attractive, said Baker, whose clients include an earphone maker.

The accessories market is one of the bright spots in the consumer electronics industry “during this challenging year,” said Colleen Lerro, spokeswoman for Arlington, Va.-based **Consumer Electronics Association** (CEA). Total U.S. revenue in the earbud wired headphone category is expected to grow from \$305 million in 2009 to \$331 million next year, according to a July CEA report.

Burgett started his company in January 2008 with about \$130,000 of his own money netted from the IPO of St. Louis-based medical device company **Stereotaxis Inc.** He was one of the engineers behind the Niobe magnetic surgical navigation system that propelled Stereotaxis’ IPO in August 2004.

Burgett had moved on to R&D at **Bausch & Lomb**’s group in St. Louis, leaving that post in April 2008 to raise money for his new company. Yurtopia co-founder and COO Rich Daniels, formerly vice president of innovation and growth at chemical company **Solutia**, joined in December 2008. The company’s third co-founder and investor is management consultant Mike Wetle of St. Louis, a former **Chase Investment Bank** officer who worked to field test the company’s founding concept.

Ten local, private investors have joined the two co-founders. Burgett declined to disclose individual investment amounts, but said product designer Metaphase Design in Clayton, headed by founder and CEO Bryce Rutter, is an investor and strategic partner. Other investors include Luc De Temmerman, a former Solutia executive; Toby Warticovschi, an EMBA classmate of Burgett; and private investment firm KZK Investments LLC.

Michael Valente, director of adult audiology and associate professor at **Washington University**, is an adviser to the firm. Another adviser is Francis “Duke” Creighton, who with Burgett shares an early patent on Stereotaxis’ Niobe system. Burgett said the company has \$700,000 “that we’ve put in the bank” and received commitments for another \$500,000 in investments that haven’t yet closed.

Yurtopia currently has eight employees and is planning to fill two key posts, one each in finance and technology.

dbarr@bizjournals.com