

The Curious Case of Michael Kranitz

How one man’s improbable journey from a bankruptcy lawyer to a tech entrepreneur indelibly shaped RC’s earliest online communities, and how he continues to shape the way hobbyists share information today.

Words Larry D. Stephens | Photos Provided



Even Michael Kranitz will admit that, among the pantheon of individuals who have left their mark on the world of RC, he probably isn’t one of the first names that pop to mind. Yet, if you’ve been a part of this hobby since the dawn of the internet, you will be hard-pressed to find another person who has been as instrumental in laying the foundation for RC’s online communities as he has.

Michael’s influence extends well beyond RC, too. He’s built and sold other online businesses to companies like Microsoft and Hearst. What makes his story of entrepreneurial success so interesting, though, is that it didn’t begin in the halls of MIT or anywhere near Silicon Valley. It started while he was a lawyer in Columbus, Ohio.

BEFORE LAW SCHOOL, BEFORE THE INTERNET, THERE WAS RC

For a young Michael Kranitz, growing up in central Ohio in the early ‘70s, few things were as fascinating as airplanes. “My parents used to take me to Wright Patterson AFB when I was a kid. I just always loved airplanes,” he says. One summer, while attending camp, Michael discovered the world of powered aeromodelling. Up to that point, he’d only built plastic models, but that all changed when a camp counselor introduced him to control-line airplanes. “I was fascinated,” he recalls. “I got really good at control line. I’d fly in my backyard or a friend’s backyard. Some of my friends got into control line, too.”

As with many modelers from his generation, it was control-line that eventually led Michael to RC. He joined the Western Ohio Radio Kontrol Society (WORKS) in 1973. About a year later, he built and flew his first RC airplane. “It was a Falcon 56,” he says. “I joined the AMA about that time, too. I still have my original membership card. But that’s when I really got my start in radio control.” That start grew into a passion that has lasted almost 50 years – a passion that, as we will see, shaped Michael’s future in ways he could never have imagined.

LAW SCHOOL: IT LOOKED GOOD ON PAPER

As Michael tells it, becoming a lawyer had less to do with an actual interest in the practice of law and more to do with his affinity for speech and writing. “For all four years of high school and four years of college, I had been competing in speech. I was nationally ranked.” Michael also dabbled in stand-up comedy in high school and while attending the University of Florida. This led to a brush with fame that only a handful of people can claim. “I opened for Bob Hope. He came to Gator Growl in, I think, 1980. My partner and I opened for him.”

Yet, for all his success as a public speaker, it wouldn’t be until the summer of his senior year at Florida that Michael began to consider the possibility of becoming a lawyer. “I knew I didn’t want to be one of those rack-jobber guys that replenish potato

chips at the grocery stores, which is what all of my buddies were doing,” he says. At the advice of his mother, he decided to look into careers that might allow him to make good use of his natural powers of persuasion. As he describes it, law seemed like a perfect fit. “It was more of a practical thing. Like, when you meet somebody, and they look good on paper, you think, yeah, let’s get married.”

Michael’s honeymoon with the legal profession, as with most marriages of convenience, didn’t last very long. He graduated from Vanderbilt Law School with honors and immediately landed his first job with a legal firm in Dallas. However, just two weeks into the new job, the bloom began to fall from the rose. “The law firm broke apart right after I moved to Dallas. I left with two of the partners who did bankruptcy litigation.”

For the next 12 years, he practiced bankruptcy law in Dallas, Chicago, and eventually Columbus, Ohio. Even though his career was thriving, Michael says it felt like something was missing. “Ultimately, it wasn’t as creative as I wanted it to be. So, I detoured into software at the end of 1996.” Detour is a good choice of words. As with the circumstances that led Michael to bankruptcy law, his pivot toward software development wasn’t entirely planned either. Once again, fate played a hand.

THE FAN LETTER THAT LAUNCHED A TECH CAREER

It was the mid-1990s. The PC market was booming, and Americans everywhere were taking their first fledgling steps onto the Internet. Even with all the hubbub surrounding the World Wide Web, becoming an IT entrepreneur was still the furthest thing from Michael Kranitz’s mind. Sure, law had lost a lot of its luster for him, but he was doing well. In fact, he’d just published his first book – a guide about bankruptcy law for accountants.

As dry as the subject matter was, Michael found the process of writing the book to be invigorating. So, when he went to lease a car and couldn’t find any useful books on the subject, he decided to take matters into his own hands. “Despite the fact GMAC was one of our clients,” he says, “I felt like an idiot because I didn’t know the first thing about auto leasing. I looked around for a book and couldn’t find one, so I decided I would write one about that, too.”

Michael talked to experts, studied the financing, and acquainted himself with the different ways each auto manufacturer structured their lease agreements. Then, in the midst of all this, he had another idea. “Right about the time I’m ready to publish, PC software starts becoming a big deal. So, I thought it would be really cool if I could include some software with the book.”

Michael had already created an Excel spreadsheet that contained the guts for an auto-leasing program, but he wasn't a programmer. At least not yet. He says he eventually found the help he needed by stalking the book section of Comp USA, looking for programmers, "I saw this guy looking at books on C++, DOS, Visual Basic, all that stuff, and struck up a conversation."

For Michael, the process of bringing that auto-leasing software from idea to reality was a revelation. As he puts it, "It was more rewarding than anything I'd ever done in law." Still, he wasn't quite ready to give up his day job. Maybe he would continue to be a lawyer and create software for fun. At least that was the plan until *Motor Trend* magazine got a hold of his software and wrote an article about it.

Orders for the book and software began pouring in from all over the country. "I started selling from my house," he recalls. "I'd get fax orders. Here I was, a lawyer and a partner in a law firm, and I was getting more excited about these \$24 orders coming over my fax machine than anything else I was doing."

Three months into selling his book and software, Michael received a letter from a woman in Wisconsin that would lead him to make the most significant career decision of his life. The letter stated that she was a recent widow whose husband had handled their auto leases. When he passed, and the responsibility fell to her, she said she was really nervous about her ability to do what he had done. That was until she happened to read about Michael's software in *Motor Trend*.

She went on to tell Michael how she got his book, used the software, and was able to negotiate the deal that she wanted. The last line in the letter, however, was the real kicker. "She said, I just wanted you to know how empowered that made me feel," recalls Michael. "I showed the letter to my wife and said, that's it. This is what I'm going to do."

From that moment on, he began looking for ways to make this dream a reality. This new career direction, combined with his love for radio control, would eventually lead Michael to become one of the earliest architects of RC's online communities.

FROM BOOM TO BUST

Despite what you might think, Michael will be the first to tell you he's not a huge risk-taker. He didn't immediately quit his law practice as soon as he decided to become a software developer. Instead, he took in the lay of the tech landscape and searched for opportunities that might allow him to smoothly transition from one paycheck to another.

Around 1996, just a few years before the dotcom boom was about to take off, Michael found the opportunity he'd been waiting for with a company that made packaging for software disks. Citing his recent success with auto-leasing software, Michael approached the company with the idea of starting a digital business division. The company's president wasn't entirely convinced but offered him a 2-year contract for a fixed amount to see what he could do. "They said, here's an office, here's a computer, go make money," recalls Michael. "I started to build a

business around the automotive sector because I had just written the auto-leasing book and had a lot of contacts in the industry."

Despite its willingness to go along with Michael's plan, the company wasn't about to hire a bunch of programmers. If this new digital business division would succeed, Michael would have to do it on his own. "Software allows ideas to become a reality at very little cost, but it's only low cost if you're the one who can program," he says. "I began teaching myself to code so I could succeed, or at the very least, fail fast and fail efficiently."

Michael's relationship with his new business partners began to sour when it became clear to him that they were more interested in how quickly they made money than whether the business was built correctly. Rather than argue with them, he decided to part ways. "I remember it like it was yesterday," he says. "It was two days before my birthday. I woke up in the middle of the night and told my wife I was going to give them all the money back that they'd paid me. In exchange for that, I was going to take the business I had been creating with me."

As Michael readily admits, it was a terrifying decision. "I had never taken a financial risk like this before. I had been a lawyer, where you get a salary and benefits. So, I walked in, made the deal, and signed a promissory note for \$100,000 because that's what they had paid me." Little did he know, it would be one of the best decisions of his life.

With his wife, Abby, Michael grew the small internet startup into one of the first successful online businesses in the automotive industry. Their success caught the attention of a company in Colorado that ended up buying all of the assets for the three websites that Michael had created, plus the rights to his auto-leasing book. The company also hired Michael full-time and charged him with building a new, even bigger online business.

Once again, he succeeded. Using a combination of his legal and software expertise, Michael created an online framework for over 3,000 auto dealers that facilitated the sale of cars all over the country. Then, on a whim, Michael phoned a little company called Microsoft to see if they might be interested in taking over the business. Eventually, a deal was reached. Microsoft merged the business – DriveOff.com – into its Carpoint platform and made Kranitz Vice President.

It was this deal that would ultimately set Michael on the path to becoming one of RC's first Internet entrepreneurs. Unfortunately, unlike almost every successful transition he had made to date, this one coincided with one of the darkest chapters of his life.

Michael explains, "Right about this time, the dotcom bubble burst. MSN lost \$300 million overnight. I was informed I had to shut the business down and lay everyone off immediately." And then it got worse. The day before he was to inform his coworkers that they were out of a job, he received more bad news, "I was diagnosed with Hodgkin's lymphoma. I had to bring everyone I worked with into a room and inform them that a.) I was sick, and b.) the company is shutting down."



TO RC UNIVERSE AND BEYOND

With the specter of cancer looming over him and no job prospects on the horizon, Michael returned home to rest and reflect. It was at this time that he got an idea for a new website. One that would be focused on something that had always brought him joy - radio control.

"I go back home, I'm on chemo, and I'm just working at my desk wondering what I'm going to do," he recalls. "It's about this time I get the idea of starting a site called RC Airport." The idea was to completely rethink what an RC online community could look like. Rather than host chat rooms or forums, Michael wanted to create something that would facilitate the exchange of information and expertise without devolving into an online free-for-all. It's a philosophy at the core of everything he has done to date.

Michael explains, "I hate forums. They're not good. My new site was going to have things like a product guide where you could rate products, as well as a classified-ad section where modelers could make and accept offers on things they wanted to sell. So, I built this whole suite of tools that made finding information about radio control easier than having to sift through all the comments on a forum."

Almost as soon as Michael began building his new site, he ran into a guy named Marc Vigod. Marc had created an online bulletin board for RC enthusiasts called RC Universe. It was exactly the kind of online community Michael didn't want to build, but it had a lot of traffic. Michael knew that if they combined the tools he had been working on for his website with the community that Marc had built, the two of them could potentially create the go-to online source for everyone in the hobby. So, he gave Marc a call.

As it turned out, Marc was well aware of Michael's new website and had been keeping an eye on his progress. "He wanted to know how many guys I had on staff because I was coming out with new features every week. I said, none, it's just me." The two agreed to meet at, what was then, the RCHTA show in Rosemont, Illinois.

Together, Marc and Michael built what would eventually become a much more robust version of RC Universe that, at one point, boasted over half a million members. "We were killing it," smiles Michael. "That's when we started to engage with Tower, Horizon, and everyone else in the industry. That was the heyday because money was flowing, and guys were interested. It was a different time for sure."



Eventually, the two partners decided it was time to try and sell the business. At first, they tried to sell to players within the industry but couldn't get any takers. With no prospects within the RC industry and only partial interest from businesses outside the hobby, they decided to spin off the product rating, product listing, and classified functions of RCU into a syndicated network for newspapers. This led to a multi-million-dollar deal with MediaNews Group and Hearst Publishing, including the purchase of RC Universe. It was a deal that would net the duo more money than they ever could have made had the business sold to someone in the industry. As Michael puts it, “I could never do that deal again. You just get lucky once in a while.”

After the sale, Marc and Michael continued to run RC Universe for Hearst. When differences in the vision for RCU began to crop up between Hearst and its creators, Michael says he and Marc decided to take the website back. “We told them, rather than pay us the extra money you owe us, just give us RCU back.” Not long after they had it back, though, yet another company showed interest in the website. By this time, Marc and Michael were ready to move on, so they sold RCU one last time and walked away. “I was 51, and kind of wanted to slow down,” says Michael.

He didn't slow down for very long. With his cancer in remission and a string of successes under his belt, Michael was soon possessed by another idea. He was going to create an entirely different kind of RC publication. “When I looked at the RC media industry, it seemed most publications were really just product-review magazines. What was missing, for me, were stories about the pilots, the people. That's what's interesting.”

It was the genesis of what would become *RC Pilot* magazine – an all-digital publication for smartphones and tablets that focused on the people in the hobby. Only this wouldn't be a simple PDF with a few hyperlinks. “I wanted to create a full-immersion, multimedia experience,” says Michael. And he did.

At its debut, *RC Pilot* was hailed by the industry as a breakthrough in RC media. Despite the rave reviews, though,

subscription rates could have been better. “I miscalculated the willingness of guys to read from a tablet,” admits Michael. He says he also underestimated the production demands of putting out a monthly digital magazine filled with video content. “By August of 2012, not even a year after the launch, I waved the white flag.”

The endeavor wasn't a total loss, in any case. By now, Michael had become rather adept at turning entrepreneurial lemons into lemonade. There was a small feature in *RC Pilot* called RC FlightDeck. It was basically just an event calendar for RC fly-ins and airshows, but he was confident he could turn it into something much more useful. “At the time, there was no easy way to find and register for an event online,” he says. “Every event site you visited was nothing but PDF forms you had to print out. And nobody was using the same forms. They were all different.”

Michael's idea was to turn RC FlightDeck into a new service that took everything an event organizer might want to include — ticket sales, parking passes, sponsorship sales, tent rentals, pre-filled AMA forms, rosters — and streamlined it into one easy-to-setup, easy-to-use, online portal.

The site was a huge success. At one point, it hosted over 500 RC events. It wasn't long before the utility of RC FlightDeck began to attract other types of event organizers. Next thing he knew, Michael was adapting the site's code base so it could be replicated for events as varied as beauty pageants, archery competitions, golf tournaments, and even full-scale air shows. Eventually, Michael was approached by Comcast Business, who wanted Kranitz to create a version of the event platform for corporate events. That version became Eventsquid, which serves more than 200 clients today, including the U.S. Air Force, United Launch Alliance, California Civil Air Patrol, U.S. Department of Defense and many more private and public organizations.

Once again, his passion for RC and his mission to help people share information more effectively led Michael to yet another entrepreneurial success. It's a formula that is still working for him today and will likely continue well into the future. 🌀

MEET MICHAEL KRANITZ. THE SCALE-HELI MODELER

From middle school to college and throughout his career, one constant in Michael's life has been the joy and inspiration he gets from RC. These days he spends most of his time flying stunning scale replicas of civilian and military helicopters. Several are turbine-powered, just like their full-scale counterparts, and worth as much as \$40,000, brand new.

The centerpiece of his collection is this impressive, turbine-powered replica of a Russian Mi-171.



Mattias Strupf of HeliClassics built it for another pilot, who sold it to Michael. At the time of press, Michael said he had just bought another HeliClassics machine – a turbine-powered Mi-24 Hind.

While interviewing Michael for this article, we had a chance to talk with him about his passion for scale helis and what drew him to them in the first place. Here's what he had to say:

My love of scale helis began when I saw some Hirobo models at one of the Weak Signals shows in Toledo. I'd never flown a helicopter before then. My first foray into helicopters, though, was a squirrely micro helicopter that had no gyro, which was horrible. I destroyed it. But a guy here said he'd show me how to fly a pod-and-boom with training gear and whatnot.

I've never liked profile planes. I don't like Ugly Stiks; I've always liked scale. For me, scale helicopters were a natural fit. The guy who instructed me told me not to go into forward flight until I was comfortable with the heli in hover in all orientations.

I would walk the helicopter. Rotate it. Stop. Hold it. Hold it. Those skills are really fundamental to all types of heli flying, but they're really important to scale.

One of my first scale helis was a Graupner Agusta A109 with 30 NiMH cells. I'd get four minutes of flying time if I were lucky. It weighed a ton.

To me (scale and aerobatic flying) are two different sub-hobbies. One I would characterize as more visual enjoyment. Seeing a realistic model flying in a way the full-scale version would be flown. The other thing, 3D, is a complete hand-eye exercise. To me, it's a completely different hobby. It might as well not be a helicopter. All the wild maneuvers demand a different skill set, and, to me, it is a different hobby."

Michael also dabbles in ducted fans now and then. His favorite DF model would be this fantastic-looking Motion RC 737. The University of Florida paint scheme is a custom job for him by Brenden McCormick (aka Just Plane Crazy) in Ohio.



If you'd like to see what else Michael's up to, including the modifications he recently made to his model-heli transport van, check out his posts on ScaleHeliPilot.com.

RC NATION AND THE FUTURE OF RC'S ONLINE COMMUNITIES

These days, Michael spends most of his time managing Eventsquid and his latest online creation, OwnTheCrowd.com – the platform that serves as the foundation for RC Nation and other websites like it. Recently, we sat down with him to discuss the current state of RC social media and how sites like RC Nation can benefit modelers by making it easier to find the information they need. What follows are some of the highlights from that chat.

Let's start with social media. For someone who says they don't care for social media, you've spent much of your career as a tech entrepreneur creating sites, namely RC Universe and RC Flight Deck, that foster social interaction. How do you explain that?

Today, (online) social interaction is so shallow and short-lived that it's meaningless. Anything I do always starts with the idea that there has to be a better way to impart information from one person to the next. (Social interaction) is certainly the glue in any information exchange because there is a person on each side of the exchange.

What's thematic in our hobby is that everybody helps. Everybody helps somebody else. Everybody learns from somebody else. Essentially, I try to create ways that make it easier for someone to access the information (or expertise) others provide so they can do something they couldn't have done without that help.

Isn't it a tall ask to get people accustomed to looking for RC advice on massive social media platforms like Facebook and YouTube to start looking for it on more specialized websites? What trends do you see that tell you

the time for sites like RC Nation has come?

A couple of things. Facebook is polluted. When you go there, you get more than you ever bargained for. Two, anyone and their cousin can start a new group, so (social media) is actually splintering what is already a relatively small hobby into overlapping and, often, redundant groups.

I don't look at it from the information seeker's perspective. I look at it from the contributor's perspective. The amount of time and energy that members of our hobby spend adding information to Facebook, only to watch it evaporate, is a waste. Their time is valuable, and they're willing to share their knowledge but not repetitively when the same question is repeatedly asked.

If I'm a contributor and I really want to help the hobby, which is in decline, what I would want to do is put my knowledge in a repository where it can be easily found and recalled. This way, when somebody does come along looking for information, they can actually find the help they need and be successful in the hobby, which enhances the likelihood that they'll stay in it.

It's the same reason Horizon developed SAFE and AS3X. We want to enhance people's joy with the hobby and their success rates. I start with companies like Horizon, who spend all of this time and money to try and reach into all these different groups and talk to them.

Sure, it's tough to extract an audience from something they're used to doing. Habits are really hard to break. It's a process of giving a value proposition to members of the hobby



and eventually having them discover that it's easier to find information on RC Nation, let's say than it is on Facebook.

Does it start out that way? No. If you never make the commitment, though, you're simply ceding control of the information to a third-party entity that doesn't care about our hobby. Go ahead, try to find a post about a specific topic on Facebook. It's very difficult and time-consuming. Facebook doesn't know about our hobby, and it doesn't care. It's one-size-fits-all.

The time for RC Nation, and sites like it, has come because the environment on these social media sites, with politics and everything else intervening, has become toxic. People will say, though, "But that's where I am." I don't buy it. That's a habit.

It takes somebody like Horizon to step out and go: You want to talk about our products? Do you want to talk about our world? We've got every product and every topic you would want to cross-reference with those products on RC Nation. And if you want to contribute content, it'll be there this year, next year, and the year after that. People will be able to find it.

I could be dead wrong, but I don't think I am. I've been in social media for 20 years now. I've watched things come and go, and I've watched things fizzle out. One of the analogies I like is that everything used to be on mainframes, then it went to personal computers, and now it's centralized again in the cloud. In the same vein, we started with these little forum sites, now we go to Facebook and one-size-fits-all, and I

think we see what that was like. Now we come back.

What's in the future for Michael Kranitz? Do entrepreneurs ever retire?

At age 62, I can see retirement as a figment of my imagination. You just go on to smaller deals or ones that require less time. I think eventually I'll be done with Eventsquid, and Own the Crowd will be what I do. It's manageable. It's fun. It's creative. I'm constantly innovating.

I just finished building a new house, and one of the garages is dedicated to the hobby. It's got Scale Heli Pilot graphics on the walls, racing cabinets, and rolling tables for each heli - that's the kind of stuff that gives me joy. One of the doors is 10 feet high to fit the new van I've outfitted for transporting helis.

For all the years that I did work, that's the payoff—being able to pursue the hobby. One of the things I want to do more in "retirement" is contribute content back into the hobby. I started with the boys at IRCHA and shot an introductory video for people new to turbines. They couldn't find a comprehensive video that met what I think the needs were, so I took that on.

My wife, Abby, knows what I get out of the hobby. She sees the work I put into my new shop and how much joy I get spending time there and at the field flying. She encourages me to attend events and foresees at least a couple of more decades of me working hard at having fun in this great hobby.

