



Molten Metal Technology 1996-1997 (B)

(ABSTRACT)

For more than a decade, WRI's Sustainable Enterprise Program (SEP) has harnessed the power of business to create profitable solutions to environment and development challenges. BELL, a project of SEP, is focused on working with managers and academics to make companies more competitive by approaching social and environmental challenges as unmet market needs that provide business growth opportunities through entrepreneurship, innovation, and organizational change.

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At the beginning of 1996, the future looked bright for Bill Haney and Molten Metal Technology (MMT). Analysts predicted that revenues during the year would grow from \$44 million to \$74 million and that 1995's modest \$300,000 profit would reach \$12 million in 1996, growing to \$62 million by 1998. This optimism was based on the assumptions that the catalytic extraction process (CEP) would go into commercial production and that MMT would further penetrate government, chemical, and international markets.¹ The vast majority of MMT's revenue had been generated by grants and royalty fees. Analysts believed that a steady and significant stream of operating revenue was key to the future of MMT and their forecasts. However, technological difficulties at the company's three plants were delaying full commercial operations. The timing of these problems would prove disastrous.

With Peter Knight and Bill Haney securing lucrative financial grants from the Department of Energy (DOE) while also gaining favor with Al Gore, a likely Democratic presidential candidate in 2000, MMT came under the scrutiny of Republican investigators searching for illegal fundraising practices. A Senate campaign finance investigation issued subpoenas for Haney and Knight, charging that they had solicited political contributions from the firm and, in return, secured the critical government contracts that the company so badly needed.² Haney now faced two competing demands—continuing to manage MMT and preparing testimony for Senate and House committees on finance reform. The latter responsibility would siphon precious resources from Haney and his staff for nearly a year.