

OUTSOURCED OPERATIONS IN THE MARINE PROPULSION ENGINE SECTOR

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International companies often find it necessary to outsource certain activities, driven by factors such as the availability of specialized expertise, scalability, and the potential for cost savings. In the marine engine industry, various common outsourcing activities emerge as solutions to these needs, among them are: (1) manufacturing outsourcing (ManO), (2) supply chain management (SCM), (3) IT outsourcing (IT), (4) Engineering Services (EngS). Let's consider the top 10 producers of marine engines worldwide [1, 2] and hypothesis their potential for outsourcing activities internationally (Table 1).

Table 1 – Top 10 marine propulsion engine companies and their possible international outsourcing activities

#	Company Name	Country	# of countries the company operates	Activities for Outsourcing			
				ManO	SCM	IT	EngS
1	Caterpillar Inc.	USA	> 50	1	1		
2	Wärtsilä Corporation	Finland	> 79	1		1	
3	MAN Energy Solutions SE	Germany	> 20		1		1
4	Rolls-Royce PLC	UK	> 150	1		1	
5	Cummins Inc.	USA	> 50	1		1	
6	Mitsubishi Heavy Industries, Ltd.	Japan	> 15	1	1		
7	Yanmar Co., Ltd.	Japan	> 30	1			1
8	Hyundai Heavy Industries Co., Ltd.	South Korea	> 51	1			1
9	Daihatsu Diesel Mfg Co. Ltd	Japan	> 20	1			1
10	Scania	Sweden	> 10	1			1

From Table 1, it can be seen, for example, that for MNCs which operate more widely globally, the supply chain or IT solutions and services are not in priority to outsource, unless the corresponding expertise is demanded. It should be noted that the actual outsourcing strategies and activities of each company may vary depending on such factors as organizational priorities, industry dynamics, and strategic objectives that will be checked in the next research.

References:

1. Marine Propulsion Engine Companies. URL: <https://www.mordorintelligence.com/industry-reports/marine-propulsion-engine-market/companies> (дата звернення: 04.05.2024)
2. Marine propulsion engine market analysis. URL: <https://www.coherentmarketinsights.com/market-insight/marine-propulsion-engine-market-5262> (дата звернення: 07.05.2024)