MarketFlex for Language-Oriented TMS

Extract for Smartling*: Systems for Translating Multiple Content Streams*
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This report assesses the suitability of nine translation management systems (TMSes) for the language processing functions needed to handle multiple content types, client organizations, and integrations. This analysis helps buyers select best-of-class products and vendors for centralized TM, terminology, file and string processing, project scheduling, workflow, and analytics for multiple clients, when they do not expect finance, vendor, or customer management to be handled in the same platform.

What This Research Examines

In this report, we analyze nine major contenders for the language-oriented TMS market, as defined in the TMS MarketFlex Guide. Read the Guide first, to understand our methodology. Following extensive evaluation from the perspective of a TMS buyer, CSA Research scores them on a grid to summarize the completeness of product features and supplier strength. The report also describes a range of future enhancements.

Information Sources

This report is based on our primary research of many TMSes, conducted in late 2018 and early 2019, with over 400 attributes and elements evaluated and scored, resulting in nine systems that met all of our requirements for addressing multiple content streams. TMS software vendors paid no fee to take part, but were required to provide information, data, references, and access to executives.

Related Research

- "Guide to TMS MarketFlex"
- "MarketFlex for Comprehensive TMS"
- "Translation Management Systems for Enterprises and LSPs"

Contents

Overview

This MarketFlex report focuses on language-oriented translation management systems (TMSes). These TMSes meet the requirements of enterprises or LSPs that manage translations and share linguistic assets across multiple departments and content types. Such organizations must route linguistic and formatting tasks to many different people, teams, and partners. They must also integrate with third-party content systems, databases, and code repositories.

In addition to supporting translation, the selected TMSes manage the granular business data generated within each stream or content program and facilitate reporting across jobs, resources, streams, requestors, and organizations. However, these organizations do not expect to manage business processes such as invoicing or internal cross-billing nor oversee a huge roster of freelancers within the same system as their language processing. CSA Research classifies the products that address the business topics as well as "comprehensive TMSes."

This MarketFlex analysis will guide decision-making for organizations evaluating software solutions used to manage the translation of multiple content streams. Such organizations include first-time buyers, those actively considering a replacement for an existing TMS, and those seeking to benchmark their current technology against alternatives. To learn more about the CSA Research market map for more TMS solution types, use case scenarios, and the MarketFlex research methodology, see "Guide to TMS MarketFlex."

Is a Language-Oriented TMS What You Need?

How do you know if you are a candidate for one of these systems? What does a multi-content-stream use case consist of? Which features do you need?

Which Description Best Fits Your Organization?

Does this describe you? You are a localization team manager or LSP that manages a variety of content types – some combination of software, product, marketing, web, user documentation, labels, video subtitles, packaging, sales materials, user assistance, or business documents. You usually service multiple departments or customers. You must track and report on costs, word counts, who is working on what, and when deliverables are due. You take a detailed approach to content processing, enabling a fine-grained process for terminology, TM, and MT training corpora development.

- **Language-oriented or comprehensive TMS?** If those characteristics describe what you do, your use case could be served by either a comprehensive system (linguistic asset management, workflow, and business process) or a language-oriented TMS (linguistic asset management and workflow only). Business processes handled outside a language-oriented system might include invoicing, retaining and scheduling freelancers, and financial management.

- **Language-oriented TMS may be a good fit.** If you process translation business needs elsewhere or if you work with more than one TMS – a situation typical for language service providers (LSPs) – you fit in the multiple content streams scenario and a language-oriented TMS solution is an appropriate choice. These systems include the functions listed in Figure 1, and this MarketFlex is the right one for you.

- **Comprehensive TMS might be for you.** If you need to keep extended vendor or other business and financial data in the same system and work with one environment for all translation production line needs, both language and business – a comprehensive TMS may be a better fit – several are included in this MarketFlex.
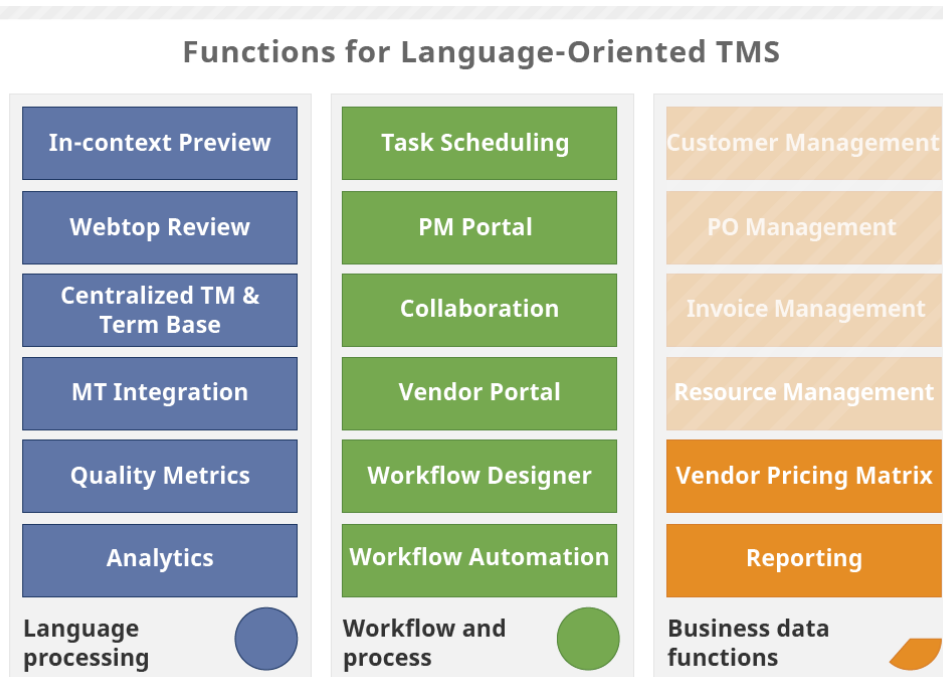
Which TMS Fits Which Category?

This MarketFlex analyzes the linguistic asset management and workflow capabilities of six comprehensive solutions (GlobalLink, Lingotek, Smartling, SDL Managed Translation,

SDL WorldServer, and XTM Cloud), two language-oriented systems (MemoQ and Memsource), and one application-oriented TMS (Transifex). Figure 1 shows the functions examined for this MarketFlex.

Comparison of all the features of comprehensive TMSes, including business processes, is likely to result in a different positioning on the grid.

Figure 1: Stack Requirements for Language-Oriented TMS

Functions for Language-Oriented TMS

Language processing	Workflow and process	Business data functions
In-context Preview	Task Scheduling	Customer Management
Webtop Review	PM Portal	PO Management
Centralized TM & Term Base	Collaboration	Invoice Management
MT Integration	Vendor Portal	Resource Management
Quality Metrics	Workflow Designer	Vendor Pricing Matrix
Analytics	Workflow Automation	Reporting

Source: CSA Research

MarketFlex Assessment

Our MarketFlex reports draw on product demos, in-depth executive interviews, customer assessments, web presence, online community engagement, and evidence of a broader business ecosystem surrounding the product ("MarketFlex for Business-Oriented TMS" and "MarketFlex for Comprehensive TMS"). To produce this report our analysts evaluated 406 factors for each solution and organized them into 42 scoring areas, which were weighted and balanced using a proprietary CSA Research algorithm. Participating vendors provided detailed product demos and access to executives, developers, and marketers for interviews. Our analysis of products and vendors results in a scatter chart that we plot on a 2 x 2 grid (Figure 2).

Scoring Categories

We scored each candidate TMS on two axes:

- **Product viability.** The vertical axis position shows how well a system's features matched market expectations at the start of 2019. Viability results answer the question, "How well does this system meet the requirements and expectations of today's market?" We evaluated 248 attributes related to product features across 18 functional areas, deployment options, user reviews, and discussions with the vendor's customers.

- **Company sustainability.** The sustainability result combines 158 scored elements across 24 sub-scores for the horizontal axis. We interviewed company executives to assess operational strength in five areas: 1) corporate structure; 2) development operations; 3) sales and marketing organization; 4) financial stability; and 5) ecosystem. Separately, we measured market visibility for each product by collecting independent data on websites, search rankings, news, conference participation, and social media activity. A product's horizontal placement on the MarketFlex grid answers the question, "How likely is the product to continue to grow and evolve with market forces and to gain or retain market share in the future?"

Remember When Using This MarketFlex

Keep these points in mind when using this report:

- **Rankings change over time and use cases.** Do not directly compare product positions on the grid between any two MarketFlex reports: 1) The evaluation criteria vary according to the use case scenarios; and 2) the assessments for the two cases are not contemporary – the grid positions for these systems would not be the same even using identical criteria because they change as the solutions and market requirements evolve.

- **The needs and expectations of TMS technology buyers do not stand still**. Nor does the MarketFlex for a category remain static. Our evaluation and scoring of each solution results from a point-in-time analysis, by definition always in the past because products and their suppliers are continually evolving, even as we publish this report. Positions on the grid change as the market and solutions evolve, sometimes very rapidly.

- **This MarketFlex analyzes features for the multiple content streams scenario**. It does not compare the business functions of the comprehensive systems included here. This MarketFlex should not be used to evaluate the full functionality of those systems – they may score differently when all aspects are weighted and scored.

MarketFlex Grid: Language-Oriented TMS, 2019

This report assesses the suitability of nine translation management systems (TMSes) for use cases involving language processing across a range of file types. These use cases do not require finance, vendor, and customer management in the same platform. This scenario is common to both enterprise buyers and language service providers (LSPs).

Figure 2 is the grid of results from our evaluation and analysis of systems for this MarketFlex. The majority of contenders in this mature market are all market leaders and occupy the top-right quadrant. It can be challenging to differentiate between the competitive systems: this is a mature product category and all of the solutions that we evaluated support the functions for the multiple content stream use case.

This is a natural progression in the software world. Once functionality is common to all systems and there is no longer a race to add features, developers optimize

performance, usability, cost-effectiveness, and enhancements for specific subsets of customers with similar needs. Meanwhile, they search for the next major innovation to move the solution in a new direction ("Translation Management at the Crossroads") – for example, micro-services and blending of systems for managing both translation and interpretation. Most important in distinguishing one system from another today are features required to support each buyer's situation, including available connectors, beginner or expert users, complexity of the purchaser's environment, choice of deployment location, and who will manage the TMS, and cost.

Newcomers and the introduction of disruptive models still have an opportunity to change this market. CSA Research regularly provides updates on the status of translation management technologies through MarketFlexes, reports, and insights.

Figure 2: The 2019 TMS MarketFlex for Language-Oriented TMS Use Case

Source: CSA Research

Market Leaders

Market Leaders score well on both axes of our assessment. Because applications that manage multiple content streams have been a common requirement for many years,

the solutions in Figure 1 represent a mature market. Most solutions in this MarketFlex appear in the top-right quadrant.

Contenders at this top end of the market offer a compelling range of features to meet the demands of today's customers, backed by the strategy, marketing, and sales operations necessary to sustain their position in the future. They show potential to gain market share in the next three years, against a broad set of alternatives, including many that did not take part in the study.

TMSes in this category also compete for share against LSP-owned systems and non-TMS software that perform many of the same functions, sometimes even competing against themselves if they are packaged for sale with language services. Many LSPs today supply clients with proprietary TMS solutions that address the multiple content stream use cases as an integral part of their own language service offerings, including companies such as TranslatePlus, LanguageWire, Transn, Lionbridge, and Welocalize. These LSPs all offer connectors to various content repositories as well as customer portals. Lingotek, Translations.com/TransPerfect, Smartling, and SDL Translate are available as alternate implementations of systems included in this MarketFlex, as a service combined with language delivery.

What Market Leaders Do Best

Several companies stand out for important reasons. However, while the ideal TMS product would excel in all areas, there is no one, perfect solution. Buyers must evaluate their specific requirements to find the system that best fits their needs. Here are seven areas where our assessment found software suppliers differentiating their offerings from their competitors:

- **Machine learning and artificial intelligence (AI).** Memsource, Smartling, and SDL all use linguistic and project data to teach their products how to work better. They also provide insights to customers that will help reduce bottlenecks, improve quality, and/or arm them with meaningful business analytics.

- **User experience tethered to powerful software solutions**. Clean, task-oriented user interfaces make it easy for people to use Memsource, Smartling, and SDL Managed Translation. However, this ease of use does not reduce the power or scalability of the systems, a common side-effect of software products.

- **Flexible, modular, and scalable technology**. GlobalLink stands out for its modularized architecture, in which it can turn on functions as soon as an enterprise needs them.

- **Designed for business needs**. SDL Managed Translations enables an enterprise without its own in-house language organization to benefit from extensive language technology.

- **Flexible and scalable pricing**. Subscription-based rather than licensed products allow customers' businesses to scale up and down as needs change. This is the most prevalent pricing strategy for all of the TMSes in this study.

- **Aiming for the future.** Several of these TMS providers, including MemoQ and future contender YiCAT, make sure new linguists know and trust their products early on in their careers – by working with universities and other establishments to include their software as part of linguist training.

- **Connectors and APIs**. All of the market leaders offer a range of ways to work with content repositories, version control systems, and other technologies. Options include off-the-shelf connectors for rapid setup, and SOAP and/or REST APIs for custom integrations.

  Note: Check how the systems in use by your company can interact through connectors and APIs with these TMSes, as each has a different set of options.

Choosing a TMS to Fit Your Needs

Each of the TMS products that we evaluated has the ability to manage language assets including translation memory (TM) and terminology (term base), share them across multiple organizations, and manage workflows. Vendors usually hire persuasive salespeople and some market heavily. It can be difficult to easily distinguish a TMS which will be an excellent fit for your needs from a system that is too simplistic or over-complicated – use this MarketFlex to help.

Buyers who have already worked with a TMS should have a good understanding of what features and capabilities are essential to them. Newcomers to this space in the language technology market may find it harder to differentiate between offerings or to see through sales and marketing to the technical and operational details. This product will quickly become an essential part of daily operations, so take the time to evaluate wisely.

Many buyers conduct informal or formal requests for information (RFI) to lay out their requirements, get demos, and interrogate potential suppliers. We advise all buyers to define and document their requirements and then use these specifications to check that a system can comply. For example, a company with a sole product line and one office has vastly different language management needs than a multinational enterprise. Similarly, an LSP that specializes in one language has different requirements versus a multi-language vendor (MLV) with thousands of freelancers and in-house linguists.

Clearly-Defined Requirements are Essential for Buyers

Prospective buyers must carefully match their requirements against the functionality offered by these products. Consider the direction of the vendors from conversations, their websites, and the RFIs that you conduct. For example, what are they implementing to further automate processes? Do they provide analytics to help your business?

In our evaluation of incumbents in the language-oriented TMS category, CSA Research found that the diversity of solutions continues to expand with developments in artificial intelligence (AI), machine learning, and mobile technology, along with functionality to address the requirements of customers for specific vertical markets. From software and gaming companies that need continuous translation of strings-only content, to huge

enterprises with a requirement to manage global – and local – content for a wide variety of delivery formats, language-oriented TMS solutions compete for it all.

How TMS Software Vendors Can Help Customers

Vendors are able to help buyers choose the best TMS for their needs – and to win the right business for their specific offerings – for example by providing open access to product and support documentation, making webinars and training available to all, and allowing potential buyers to try-before-they-buy. Selecting a product that is the best possible fit is critical to gaining a happy customer. We advise buyers to investigate beyond marketing and sales, and to dig into the process and technical details – use this MarketFlex and other CSA Research reports to help raise questions to be answered during your own product evaluations.

The Multi-Stream Contenders in Detail

In this section, we analyze nine solutions contending for deployments in multi-stream use cases. We identify significant strengths and concerns for each product and its developer. Refer to Figure 2 for each product's position on the MarketFlex grid.

In the sections below, we describe each TMS and vendor. Keep five things in mind: 1) Buy what you need today, but plan for expansion; 2) seek future-proof solutions; 3) buy functionality that helps you to grow; 4) if you are a first-time TMS buyer, review the available options; 5) if you have an aging TMS in-house, look before leaping into another product. See the Recommendations at the end of this report for more guidance.

TMS Contender Scores: An Example "Acme TMS"

Figure shows an example contender with its position on the grid relative to its scoring for product viability on the vertical axis (600 points out of 1000) and company sustainability on the horizontal axis (400 points out of 1000). Acme TMS' score places this system firmly within the Establishment quadrant of the grid.

Figure 3: Acme TMS Position on the MarketFlex Grid
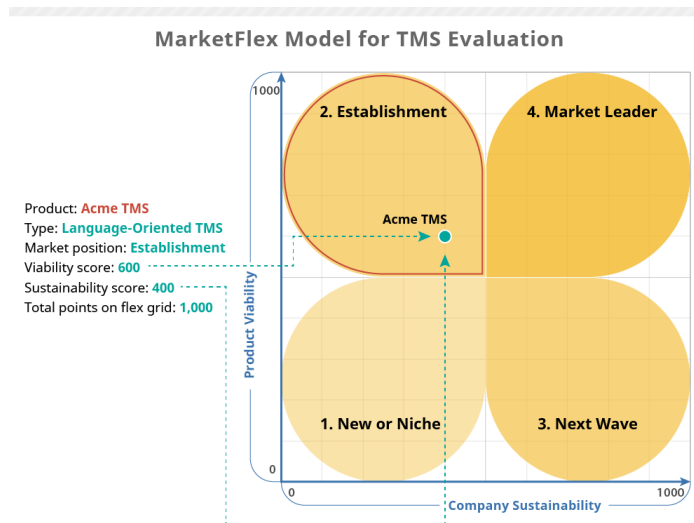
Source: CSA Research

TMS Contender Scores: Details

Figure shows the TMSes in alphabetical order, with their viability, sustainability, and total scores as described in Scoring Categories. The maximum possible score is 1,000 for viability, 1,000 for sustainability. The highlight shows the system scoring highest in each category.

Be sure to analyze the requirements for your business and compare them with the technology offerings before committing to a solution. While these systems all scored very closely, there are differences that will make each one a better, or less attractive, fit depending on the precise needs of individual organizations.

Figure 4: Ranking of Nine Contender TMSes

Ranking of Nine Contender TMSes for Multiple Content Streams

	Viability	Sustainability	Total
Lingotek	603	454	1,057
memoQ	771	501	1,272
Memsource	919	567	1,486
SDL Managed Translation	772	707	1,429
SDL WorldServer	723	689	1,412
Smartling	908	627	1,535
Translations.com GlobalLink	869	650	1,519
Transifex	630	438	1,068
XTM Cloud	825	553	1,378

Source: CSA Research

Smartling

SMARTLING

Product: Smartling

Type: **Comprehensive TMS**

Market position: **Market Leader**

Viability score: **908**

Sustainability score: **627**

Total points on flex grid: **1,535**

Smartling is a cloud-based TMS product, including content connectors, APIs, web proxy, and content distribution network (CDN). Smartling, with headquarters in New York, New York, U.S., and offices in London, England; Dublin, Ireland; and two in Ukraine: Kiev and Dnipro. Smartling is privately owned and backed by venture capital.

Smartling's software appeals to buyers seeking to manage all their language needs in one cloud-based platform, with connections to many content sources and the possibility of delivering multilingual websites through the company's CDN. Automated quality assessments and in-context editing are especially useful to a customer's editors and reviewers. While Smartling started out as a technology-only company, it has now grown to include language services and personalized configuration and management help through a Platinum Support offering. The company commits to having new customers "up-and-running" within 30 days.

Strengths

Differentiators for this TMS include:

- **Visual context.** Linguists for both websites and video subtitles work within an in-context view, and the Smartling functionality includes resizing for tablet and phone

experiences so that the linguist can see how the translation appears in all delivery formats.

- **Rapid onboarding.** Smartling commits to having new customers onboard in 30 days or less – significantly less time than other comprehensive TMSes. Buyers should check whether this would include part, or all, of their specific organization.

- **Machine learning improves translation quality.** Smartling predicts the quality of translations with the Smartling Quality Confidence Score, using data and machine learning, and flagging content that linguists should check as a priority. It also provides a high-level view of translation quality across a customer's content within the TMS.

- **Measurement of workflow velocity and changes.** More machine learning allows customers to evaluate the efficiency and value of their workflows, by finding bottlenecks and low-value steps.

- **Constant development.** Smartling is continuously updating and developing the platform. Customers do not have to wait for planned delivery of updates months away – changes to its product happen without any downtime. The company switches on new features for a customer as needed.

Concerns

Points to check against your requirements:

- **Addition of language services.** While delivering language services together with software as an integrated solution is the preferred choice of many Smartling customers, it may dissuade potential buyers who are seeking a vendor with a sole focus on technology. Smartling must take care to show how the two options continue to be separate unless requested by the customer.

- **Constant development.** Ongoing development and continuous updates may cause users to adjust frequently to UI changes. This is typical of continuous updates and Smartling prepares customers for these changes, but this may be an adjustment for customers moving from a more traditional development environment.

Conclusions

In a marketplace where so many systems are considered market leaders, the most important consideration is which one fits your specific requirements. CSA Research advises buyers to take particular care in each of these areas:

- **Scalability**: Consider whether each TMS can support common localization futures such as doubling or tripling the number of languages you support, adding streams of content, acquiring another company, or managing several more business units.

- **Exchange**: If replacing an existing TMS, be aware that switching out a business system can be a major endeavor. CSA Research recommends thorough testing with dummy and live projects before reaching a final decision to migrate. Assess differences in translation segmentation and match algorithms, determine how you can mitigate the risk, and build all costs into the financial plan.

- **Growth**: Businesses that expect to advance in size, scope, or organizational maturity may want a more complete system as a way of advancing faster. For example, exceptional metrics and analytics can help prove the value of the TMS, helping the enterprise to expand into larger and more diverse, profitable markets.

- **Stability**: Remember that TMS vendors today in a position to increase market share still need strong execution. Funding events, strategy shifts, new development, and personnel changes can affect their market position at any time.

- **Innovation**: Customer requests drive change: software developers prioritize new features based on demand. Ask about planned enhancements to cover new content types, metadata at all levels of the data structure, and improvements to user experience throughout the supply chain.

- **Modularity**: You should not need to buy a supermarket to obtain an apple and a bag of sugar, even though next month you might want it all. What about greater performance, or more simplicity to cope with an ever-expanding volume of content, including code, images and video - and the ability to connect them all in style and terminology? Make your expectations known and TMSes will continue to evolve.

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Recommendations

MarketFlex for Language-Oriented TMS

Use this MarketFlex analysis to help when considering a first-time or replacement TMS, or to understand how an existing system compares to industry alternatives.

- **Evaluate comprehensive TMSes too.** There is a lot of overlap between competitors in the language-oriented and comprehensive TMS market. Review all candidate solutions to be sure of finding the right system for your company.

- **Buy what you need – but plan for growth.** Balance current requirements with future needs. Companies that today cannot use all the capabilities found in comprehensive TMSes might save money and effort by selecting a solution with fewer features, but a simpler product is only a smart choice if it supports your business requirements for the foreseeable future.

- **Keep an eye on costs – now and as your needs grow.** Calculate how the costs of a given TMS scale as the system expands to meet your needs for the next few years.

- **Buy features that help you to grow.** Give more consideration to products that support and encourage improvements in your business. Establishment and Market Leader solutions rank higher for viability because they have advanced features in more areas and offer the functionality needed by larger companies or by those with more aggressive globalization initiatives.

- **First-time TMS buyer? Review the available options.** Identify the top-level use case closest to your own situation, choosing from the scenarios described in "Translation Management Systems for Enterprises and LSPs".

- **Got an aging TMS in-house? Look before leaping into another product.** Carefully review your options before undertaking the disruption that comes with technology replacement.