

# INVESTMENT CASE STUDY

## SUBMISSION

Group Name: Fantastic 4

1. Abinash Sahoo
2. Lekha Priya
3. Sushree Sweekruti Das
4. Pradeep Kumar Pingili



## <Abstract>

### Objective:

The objective of this project is to understand the Global trends in Investments to facilitate a successful Investment strategy globally for Spark Funds within the business constraints.

Identify the best countries, sectors within and the best investment types in-line with the global trend of investments

### Constraints:

The following constraints have been taken into consideration for the investment analysis:

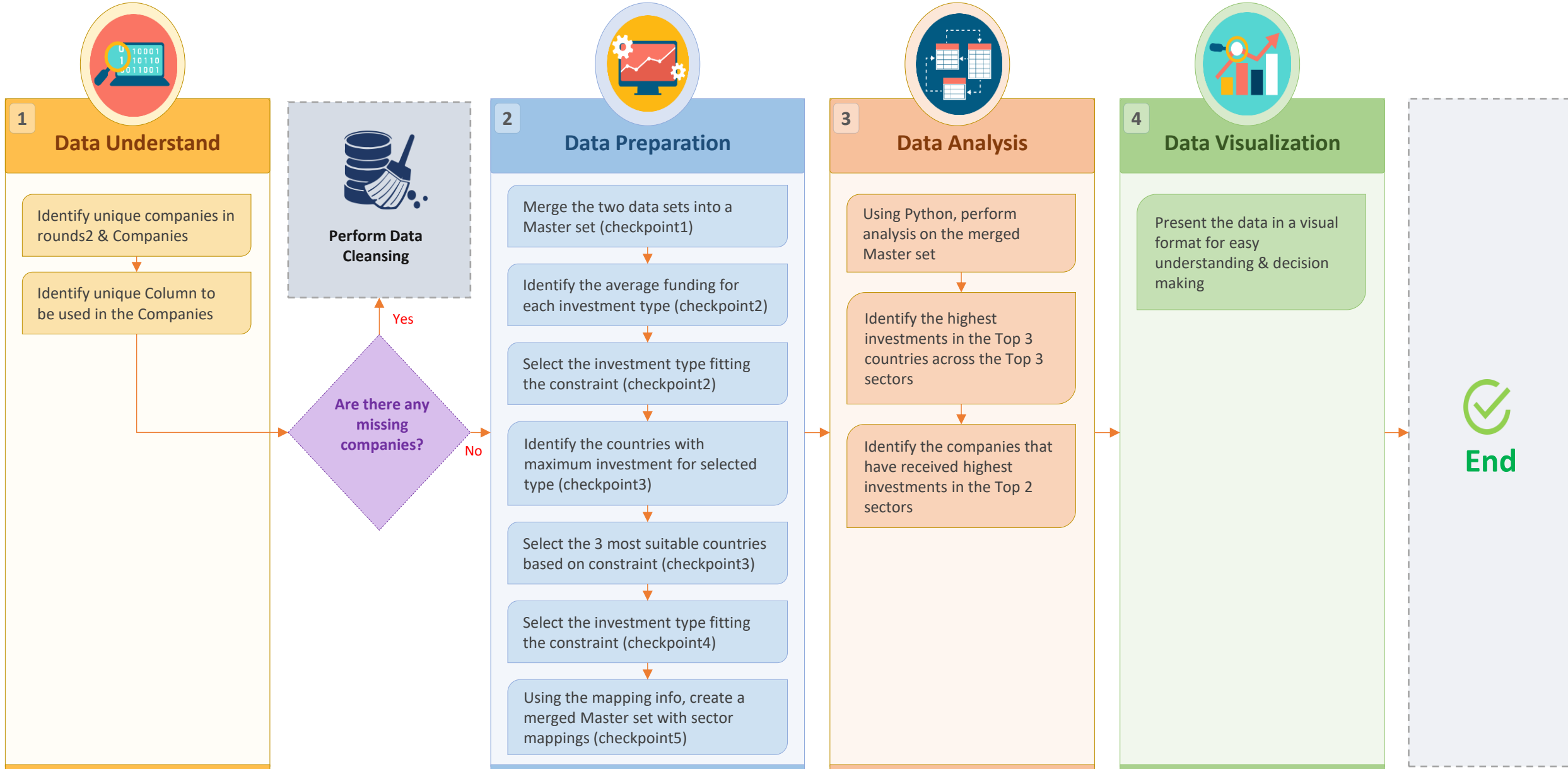
- Investment shall be between ***5 and 15 million USD***
- Investment shall be in ***English-speaking countries*** facilitating ease of communication

### Solution Approach:

- Identify the best Investment type, the best countries to invest in, the best sectors and some companies in those sectors which have been receiving the most investments globally from investors across.
- This bolsters chances of Spark Funds to make successful investments on the same lines

### Resources/Inputs:

- Investment data from [crunchbase.com](https://crunchbase.com)
- Analysis using the data sets relating to list of companies, investments made and sector-sub sector classifications for the investments made.



## 1) Funding Type Analysis

- Firstly, the funding type analysis has been undertaken to identify the average funding amounts for each of the Investment Types viz., seed, venture, private equity etc.
- With the average funding amount, the most suitable 'Investment type' based on the investment amount constraint of 5 – 15 Million USD is identified i.e. 'Venture'
- It is assumed that, with the Venture type being the most invested type of fund investment globally, it would be the best investment type for Spark funds as well

## 2) Country Analysis

- Based on the selected Investment type i.e. 'Venture', the Top 9 countries which have received the highest number of investments are identified
- From the Top 9 countries thus identified, based on business constraint of investing in countries that have English as their official language(s), the Top3 English speaking countries are identified
- It is assumed that investing in the Top 3 English speaking countries promotes the ease of doing business and thereby ensures a successful venture for Spark Funds in line with the global investment trend

## 3) Sector Analysis

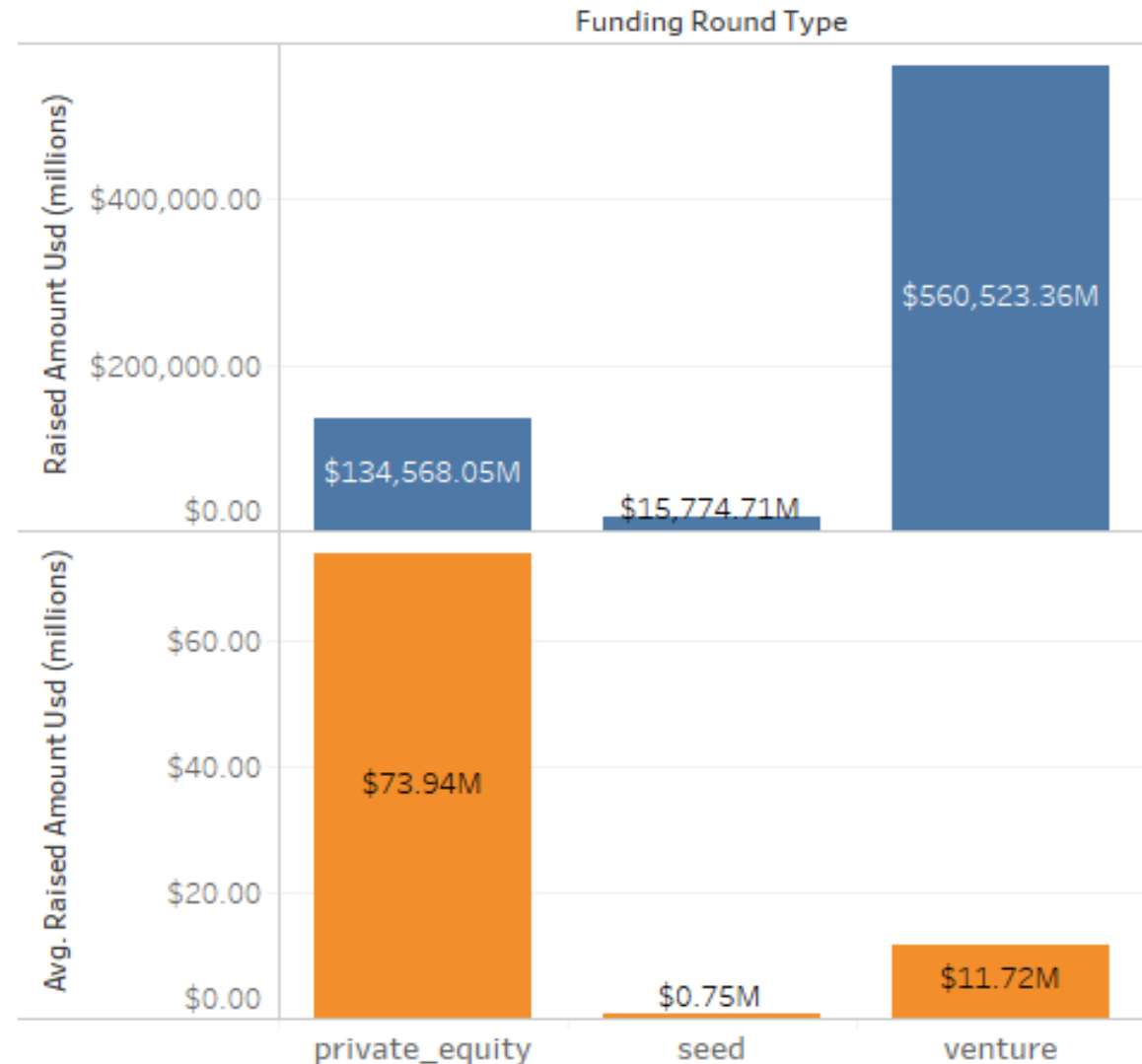
- For this, the mapping file information is used as Master data for main sectors.
- An assumption is made about the data in 'Category Lists' for the companies, where in the Primary sector and sub-sectors are assumed to be separated by the '|' symbol. This is agreed upon as a Business Rule and the data segregate accordingly to arrive at the 'Primary Sectors'
- A merged data set is thereby created based on the primary sectors mapping to the 'Main sectors' in the mapping file which shall be used for the primary analysis

#### 4) Detailed Sector Analysis

- With the Master data set created having the companies, investments made across primary sectors and the main sector, the data is segregated for each of the top 3 countries
- For each country, corresponding individual data set is created which aligns to the constraints of the investment amount (5-15 Million USD) and the selected investment type – ‘Venture’
- Based on the above data sets, for each country the Top 3 sectors based on the highest number of investments received and the count of those investments are identified
- Further, for each country, the companies that received the highest investment for the best (top) sector and the second-best sector are identified
- Based on the above identification, an informed decision of the best companies to invest in, which have globally received the highest investments can be made

- Based on the following plot, it can be deduced that the Investment Type – ‘Venture’ is most suitable for Spark Funds as it suits the preferred investment of between 5 and 15 million USD
- Also, it is seen that it one of the most preferred Investment Types globally

Fraction of Total and Average Investments (globally) in venture, seed, and private equity



Plot 2 - Top 9 countries - by highest investment amount for VENTURE Funding Type



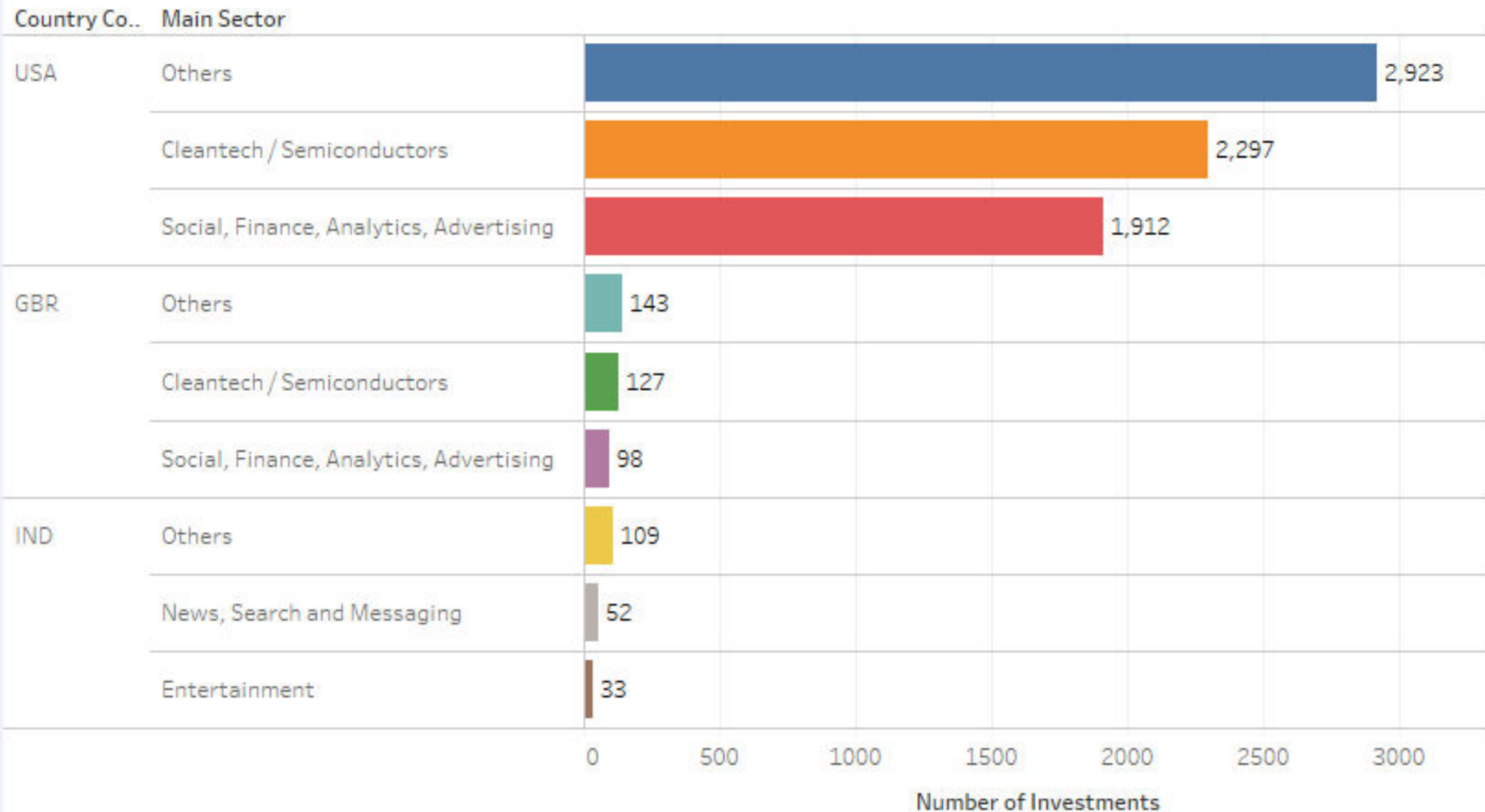
- Based on the following plot, it is seen that the USA, CHN and GBR are the most preferred countries for investment globally
- But considering the constraint of English speaking countries that Spark Funds prefers to invest in the following are the most suitable countries :
  - USA
  - GBR
  - IND



Based on the following plot, across the three countries, the following are the most suitable main sectors to invest in :

- USA
  - Others
  - Cleantech / Semiconductors
  - Social, Finance, Analytics...
- GBR
  - Others
  - Cleantech / Semiconductors
  - Social, Finance, Analytics...
- IND
  - Others
  - News, Search & Messaging
  - Entertainment

**Plot 3 - Top 3 sectors of the Top 3 countries - by number of investments for VENTURE Funding Type**



Based on the analysis made and the Illustrations, it is evident that considering the constraints and the Business objective, strategy adopted by Spark Funds, the following would be the best options to invest in:

**USA**

- ✓ Others
- ✓ Cleantech / Semiconductors
- ✓ Social, Finance, Analytics...

**GBR**

- ✓ Others
- ✓ Cleantech / Semiconductors
- ✓ Social, Finance, Analytics...

**IND**

- ✓ Others
- ✓ News, Search & Messaging
- ✓ Entertainment
- ✓ Social, Finance, Analytics... (by revenue)