

Unicorn Startups

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Introduction

- Unicorn companies, within the realm of business, are private startup firms that have achieved an exceptionally rare milestone by attaining a valuation of at least one billion US dollars..
- The analysis of unicorn companies enables investors to identify potential high-growth opportunities and diversify their portfolios effectively. Furthermore, entrepreneurs can gain valuable insights into the strategies and factors that lead to unicorn status, guiding their own business endeavors.
- The impact of unicorn companies extends beyond the financial realm; they often disrupt traditional industries, stimulate innovation, and create employment opportunities, contributing significantly to the global economy.

Executive Summary

Project Objective:

The primary aim of this project is to analyze and understand the trends and characteristics of unicorn companies, providing valuable insights to inform investment decisions and strategies.

Key Insights:

- Over the past decade, the number of unicorn companies and their average total valuation has increased with the peak occurring in 2021. ByteDance, SpaceX, SHEIN, Stripe and Checkout have the highest valuation.
- Sequoia Capital China is the primary investor in terms of combined valuation whereas United States has the highest total valuation globally, followed by China and India.
- Fintech Industry is leading other industries in terms of gross valuation.

Immediate Future Actions:

- Consider investing in unicorn companies due to their upward trend and concentrate investment efforts in the United States, China, and India.
- Collaborate with Sequoia Capital China and other top investors while exploring investment opportunities in AI, Space, E-commerce, and Fintech industries.
- Monitor ByteDance, SpaceX and other high valuation companies to identify optimal investment window.

About the Dataset

The open-source dataset is taken from Kaggle:

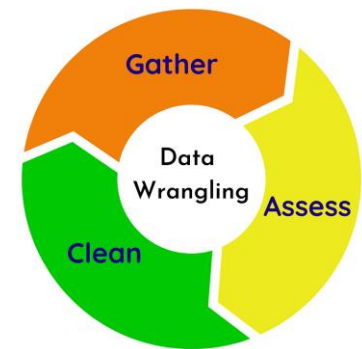
<https://www.kaggle.com/datasets/ramjasmaurya/unicorn-startups>

The dataset comprises information regarding leading unicorn companies up to September 2022, including the date of attaining unicorn status. It encompasses their valuation, country and city of origin, investors, and industry affiliation.

Data Wrangling

The csv data file was extracted using Microsoft Excel. The Data Wrangling operations were performed using Power Query in Microsoft Excel. Some of the performed operations were:

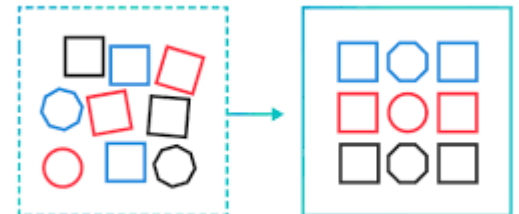
- Header Promotion
- Removal of Duplicates
- Filtering Columns
- Correcting Data Types



Data Transformation

Data Transformation was done by using Power Query and Pivot tables were made using Power Pivot in Microsoft Excel. Some of the performed operations were:

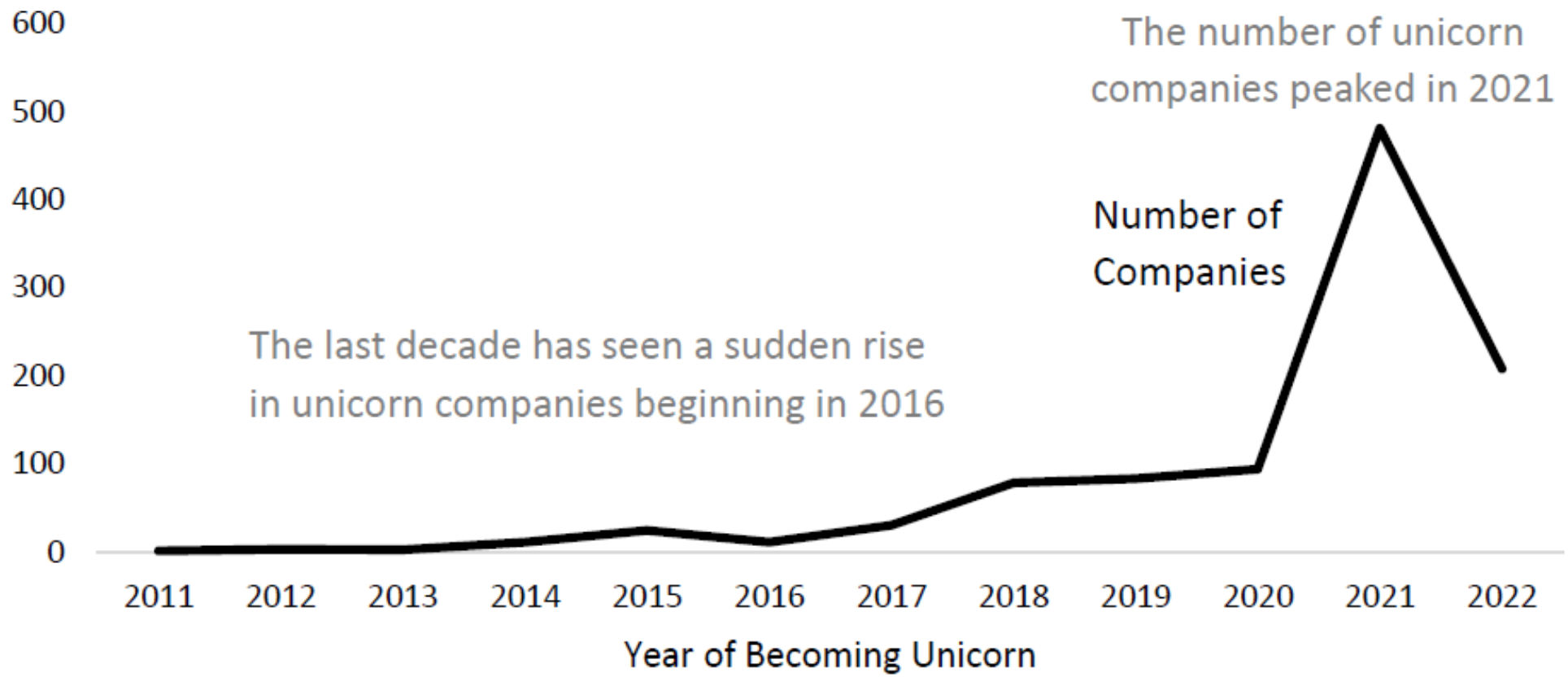
- Removal of Irrelevant Columns
- Splitting Columns
- Addition of calculated columns for further comparisons
- Creation of specific pivot tables for analysis and visualizations



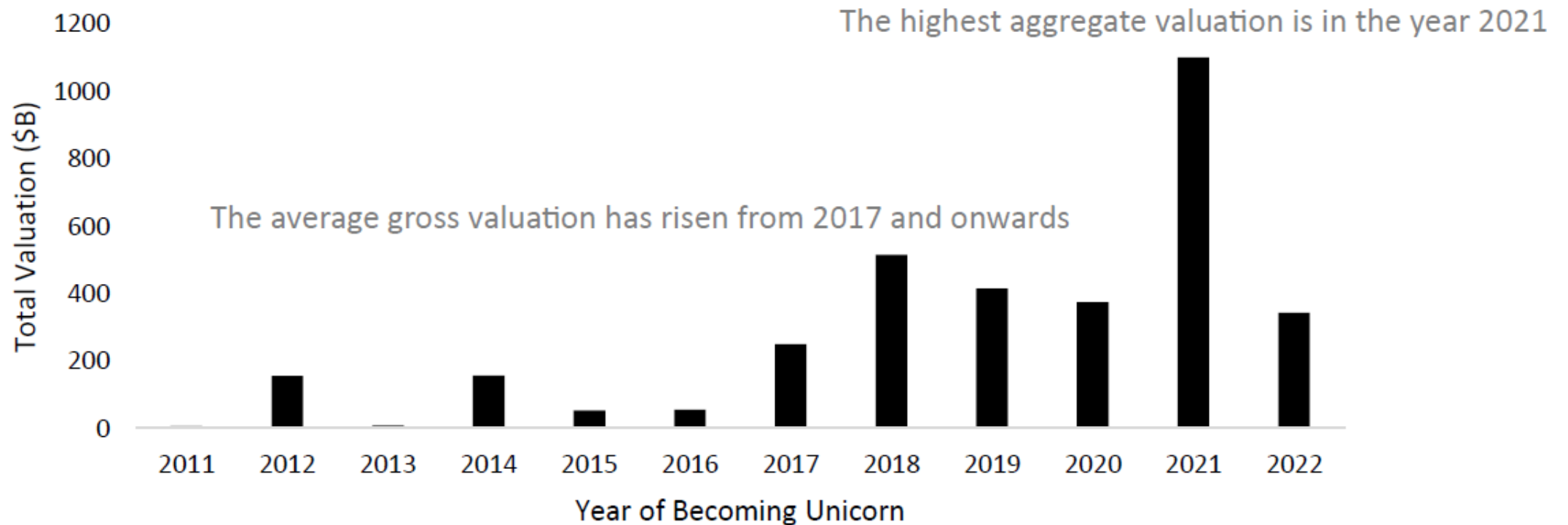
Data Visualization



The number of unicorn companies with the year of attaining unicorn status.



The total valuation of Unicorn Companies with the year of attaining unicorn status



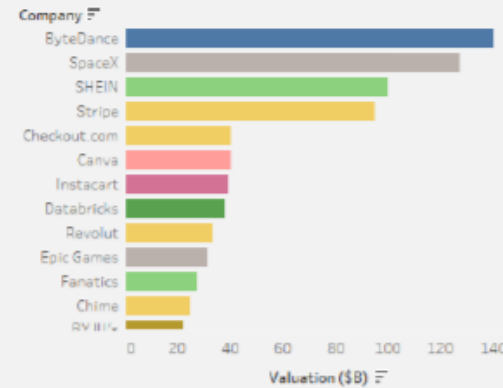
The total valuation in general is reflecting the trends found in the number of companies' chart but is portraying a more consistent picture here.

Valuation Dashboard

ByteDance, SpaceX, SHEIN, Stripe and Checkout are the top 5 highest valuation companies

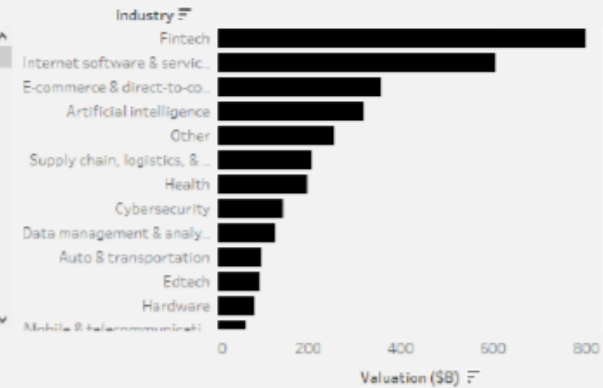
Companies with their Valuation and Industry

The top 5 companies belong to AI, Space, E-commerce and Fintech industries



Fintech is the industry with the highest gross valuation

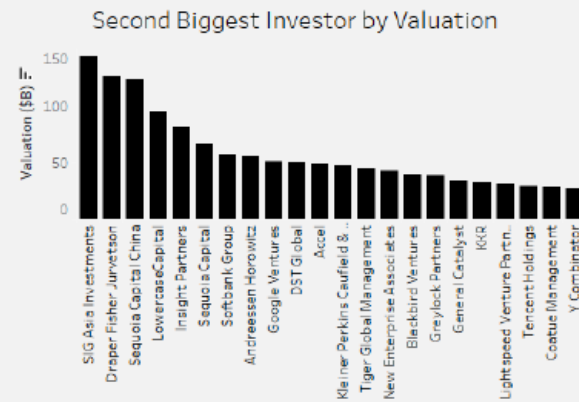
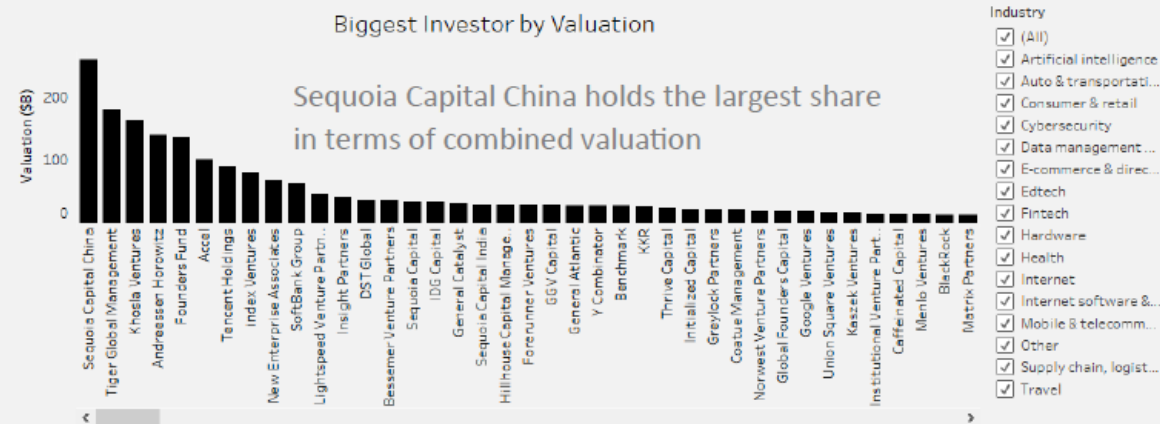
Industry and Valuation



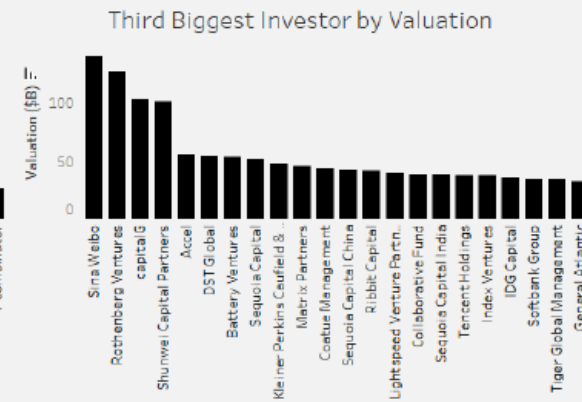
Companies with their Valuation and Investors



Investor Dashboard



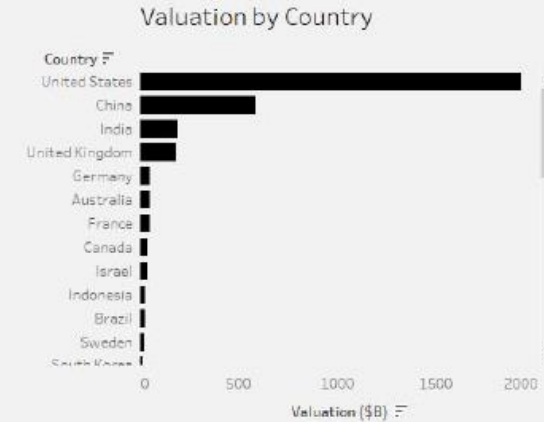
SIG Asia Investments is the leader in the comparison of second biggest investors of companies



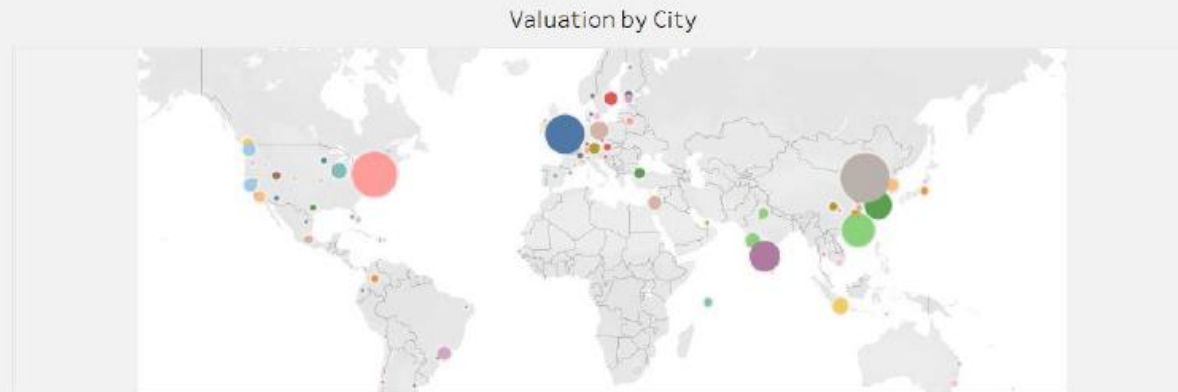
Seina Weibo is the top performer in the comparison of third biggest investors of companies

Geographical Dashboard

The dataset contains companies from all over the world showing that the unicorn status is achievable from almost anywhere in the world



United States has the highest gross valuation in the world, followed by China then India



The top cities with the highest gross valuation are San Francisco, Beijing, New York, London and Shenzhen

Analysis Insights



1. Over the past decade, there has been a notable increase in the number of unicorn companies and their total valuation with the peak occurring in 2021.
2. In terms of combined valuation, Sequoia Capital China emerges as the primary investor, while SIG Asia Investments and Seina Weibo stands out as the top performers among the second and third largest investors.
3. The United States boasts the highest total valuation on a global scale, with China and India in second and third places. Among cities, San Francisco, Beijing, New York, London, and Shenzhen have the highest gross valuations.
4. The five highest-valued companies are ByteDance, SpaceX, SHEIN, Stripe and Checkout. These companies span industries such as AI, Space, E-commerce, and Fintech. Fintech, in particular, leads in terms of gross valuation.
5. The primary investors in these top five high-valuation companies are Sequoia China Capital, Founder's Fund, Tiger Global Management, & Khosla Ventures.

Considerations to keep in mind

1. The dataset is not inclusive of all the details regarding all the unicorn companies. As a result, the accuracy of this information is confined to the scope of the provided dataset.
2. Apart from the discussed metrics there are many other metrics that effect the valuation of a unicorn company.



Recommendations



1. Consider investing in unicorn companies, as the average gross valuation has been on a consistent upward trend since 2017.
2. Concentrate investment efforts in the United States, China, and India, as they are the top countries with the highest gross valuations. Prioritize cities such as San Francisco, Beijing, New York, London, and Shenzhen for potential investment destinations.
3. Collaborate with Sequoia Capital China and other top investors for potential investment opportunities, as they hold the largest share in combined valuation.
4. Explore investment opportunities in AI, Space, E-commerce, and Fintech industries, as these sectors house the top four highest valuation companies.
5. Monitor the performance of companies like ByteDance, SpaceX, and SHEIN, which have demonstrated exceptional valuation growth.

THE END
