

Unicorn Startups Report

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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. Unlike their publicly traded counterparts, they are not listed on the stock market, yet they exhibit extraordinary growth and potential. These companies are referred to as "unicorns" due to their scarcity and remarkable financial standing within the business landscape.

The analysis of data pertaining to unicorn companies holds substantial significance for various stakeholders. It 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. Moreover, 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.

Therefore, the comprehensive examination of unicorn companies is essential to comprehend their influence on various sectors and their far-reaching implications in the modern business world.

Executive Summary:

Project Objective:

The primary aim of this project is to analyse 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.
- 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.
- Concentrate investment efforts in the United States, China, and India.
- Collaborate with Sequoia Capital China and other top investors.
- Explore 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

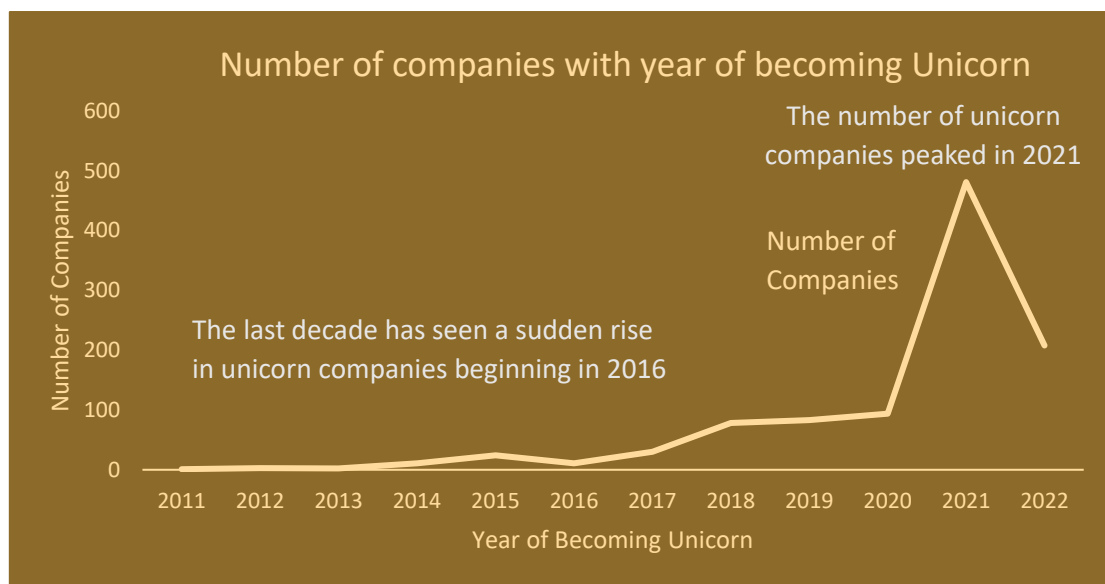
Data Visualizations and Insights:

Two specific charts were produced using **Microsoft Excel**. For a more thorough analysis, three dashboards were created using **Microsoft Power BI**, featuring various visualizations. These interactive dashboards were designed to allow users to personalize their experience. Each visualization was made with a specific objective in mind. The most useful visualizations and dashboards containing the obtained insights are detailed below.

Charts:

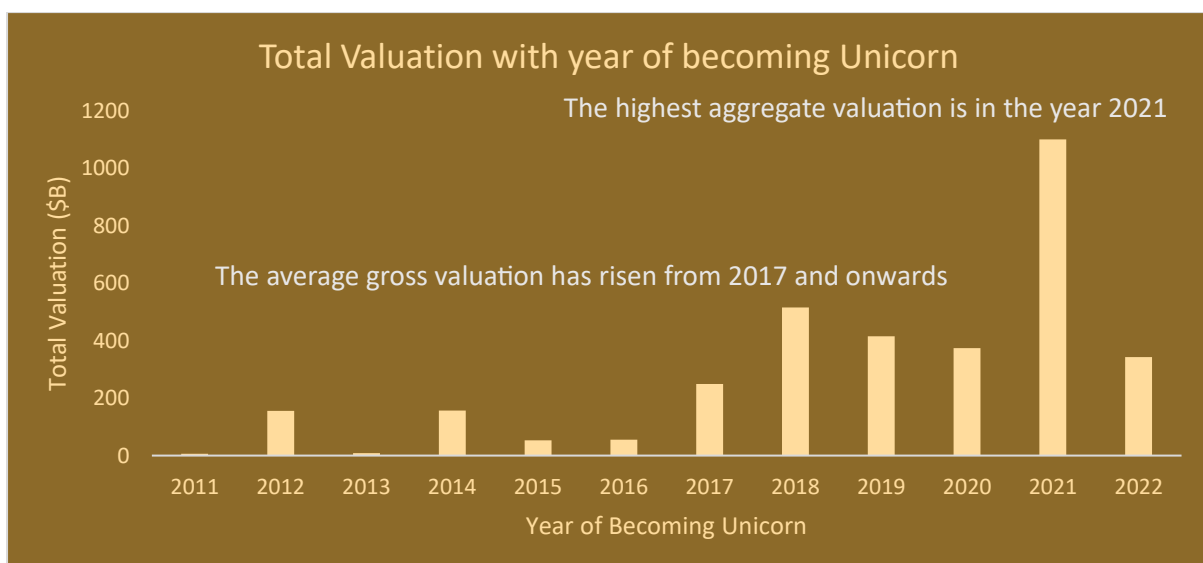
1. The first visualization is showing the number of unicorn companies with the year of attaining unicorn status.

Chart 1



2. This visualization is showing the total valuation of Unicorn Companies with the year of attaining unicorn status.

Chart 2

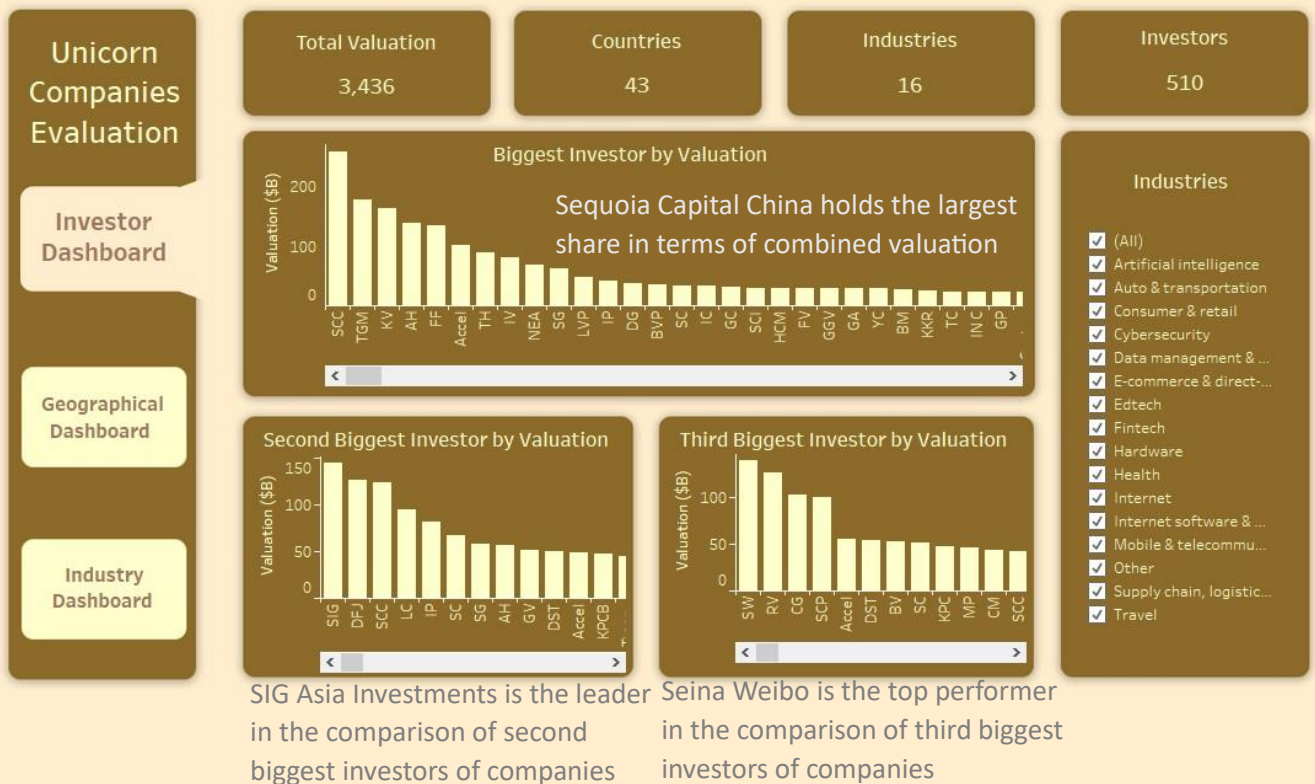


The total valuation in general is reflecting the trends found in the number of companies' chart but is portraying a more consistent picture here.

Dashboards:

- The first dashboard visualizes the valuation of companies by their biggest 3 investors.

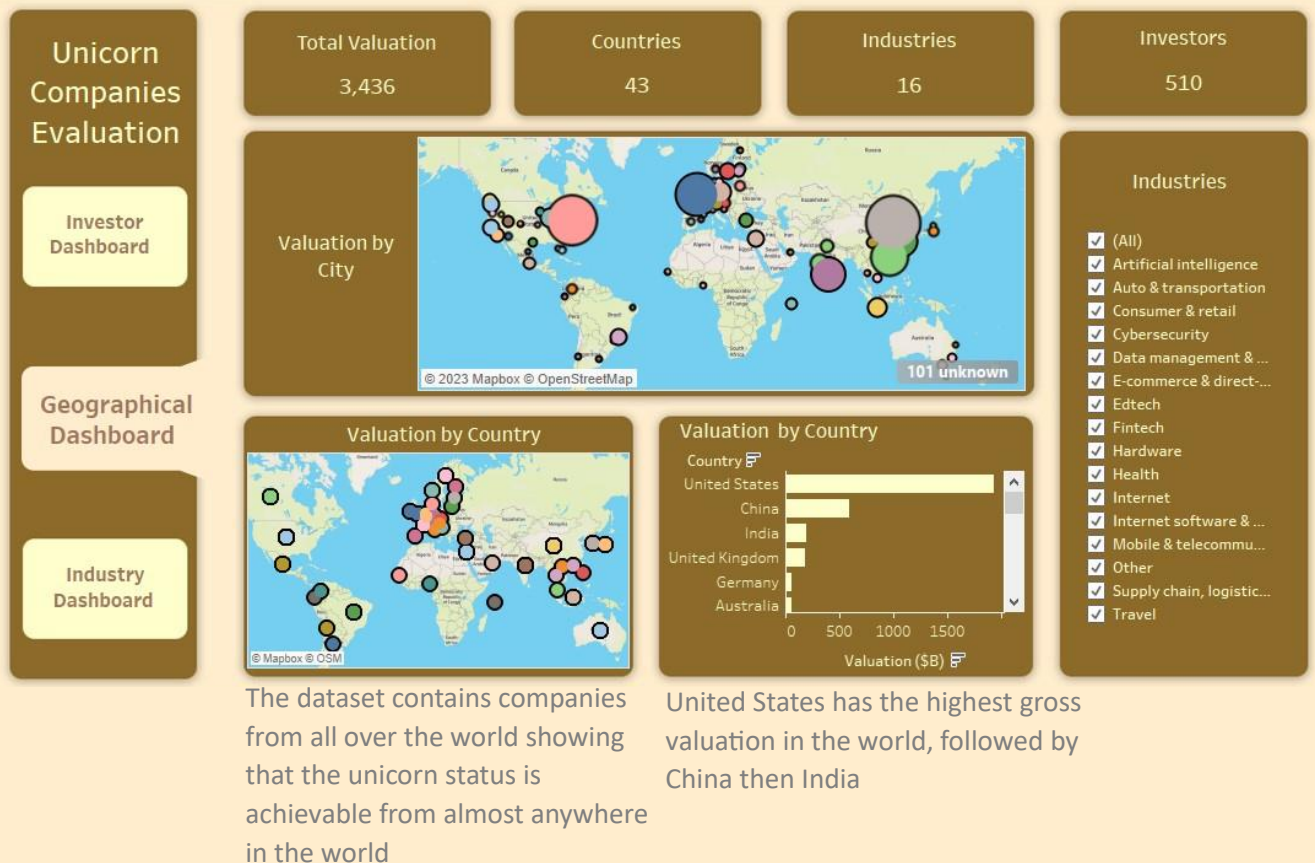
Dashboard 1



- This dashboard illustrates the global spread of companies using their regional valuation.

Dashboard 2

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



- The third dashboard presents information about the valuation of the companies with their industries and biggest investors.

Dashboard 3

The biggest investors of the 4 highest valuation companies are Sequoia China Capital, Founder's Fund, Tiger Global Management and Khosla Ventures



ByteDance, SpaceX, SHEIN, Stripe and Checkout are the top 5 highest valuation companies and the top 5 companies belong to AI, Space, E-commerce and Fintech industries

Fintech is the industry with the highest gross valuation

Analysis Conclusions:

1. Over the past decade, there has been a notable increase in the number of unicorn companies, with the peak occurring in 2021. **(Chart 1)**
2. Starting from 2017, the average total valuation of unicorn companies has consistently risen, reaching its highest point in 2021. **(Chart 2)**
3. In terms of combined valuation, Sequoia Capital China emerges as the primary investor, while SIG Asia Investments takes the lead among the second-largest investors, and Seina Weibo stands out as the top performer among the third-largest investors **(Dashboard 1)**
4. The United States boasts the highest total valuation on a global scale, with China and India following in second and third place, respectively. Among cities, San Francisco, Beijing, New York, London, and Shenzhen exhibit the highest gross valuations. **(Dashboard 2)**
5. 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. The primary investors in these top five high-valuation companies are Sequoia China Capital, Founder's Fund, Tiger Global Management, and Khosla Ventures. **(Dashboard 3)**

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. Diversify investment across multiple industries to spread risk and capture growth opportunities in various sectors.
5. Monitor the performance of companies like ByteDance, SpaceX, and SHEIN, which have demonstrated exceptional valuation growth.
6. Allocate a significant portion of the investment portfolio to the Fintech industry, given its leading position in gross valuation.