

# INVESTMENT ASSIGNMENT SUBMISSION

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## Abstract:

*The CEO of Spark Funds wants to understand the global trends in investments so that she can take the investment decisions effectively and make investments in a few companies.*

*The objective is to identify the best sectors, countries, and a suitable investment/funding type for making investments.*

## Business Understanding:

Strategy is to invest where most other investors are investing  
With below 2 minor restrictions for investments

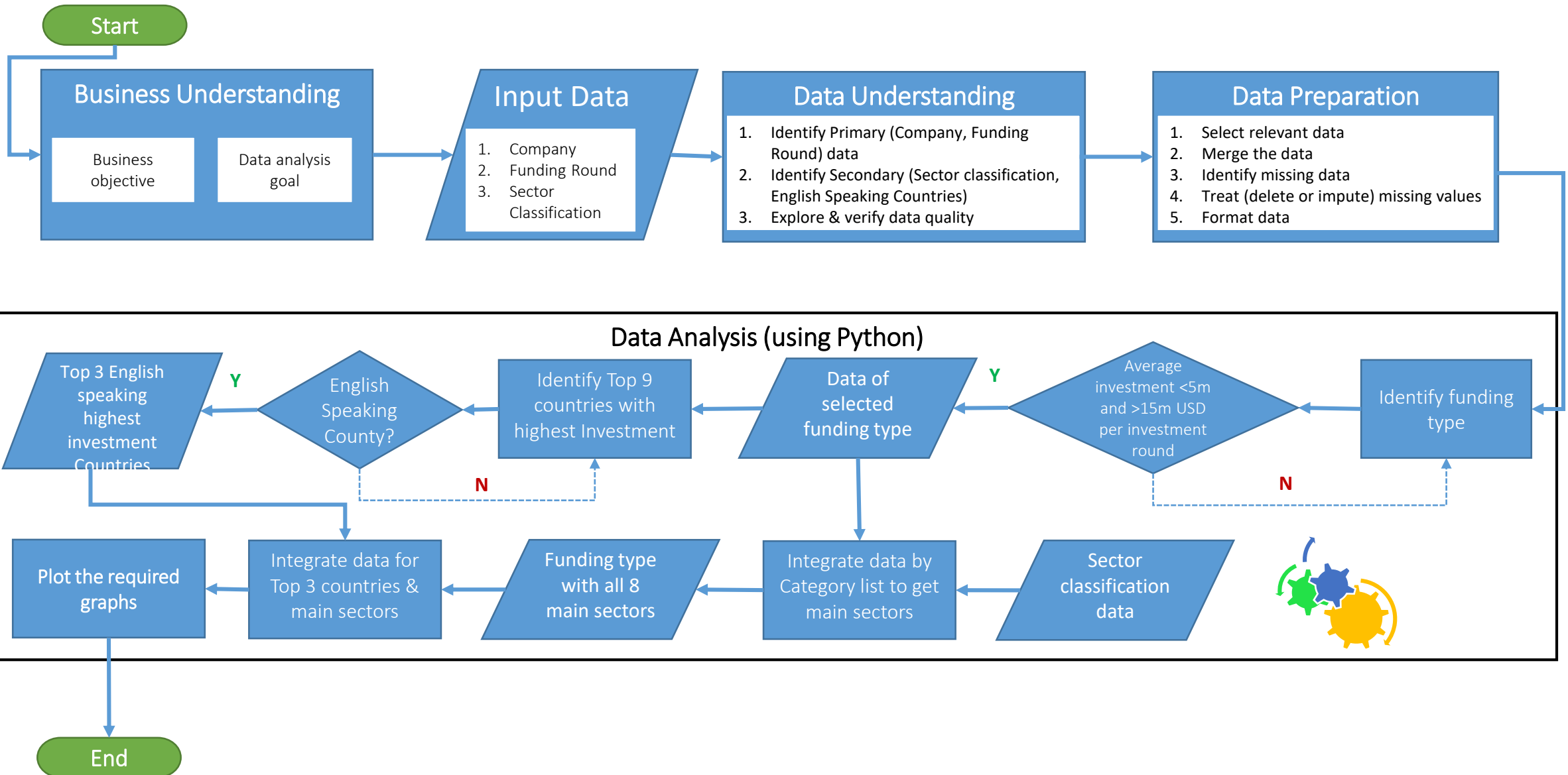
- ✓ *Invest between 5 to 15 million USD per round of investment*
- ✓ *Invest only in English-speaking countries for the ease of communication with the companies it would invest in*

## Data Understanding:

✓ ***Company details:*** Basic details of **66,368** companies with Unique company Id, Company Name, Category name(s), Country etc...

✓ ***Funding round details:*** Important details Unique company Id, Funding Type, money raised in Funding etc...Total observations are **114,949**

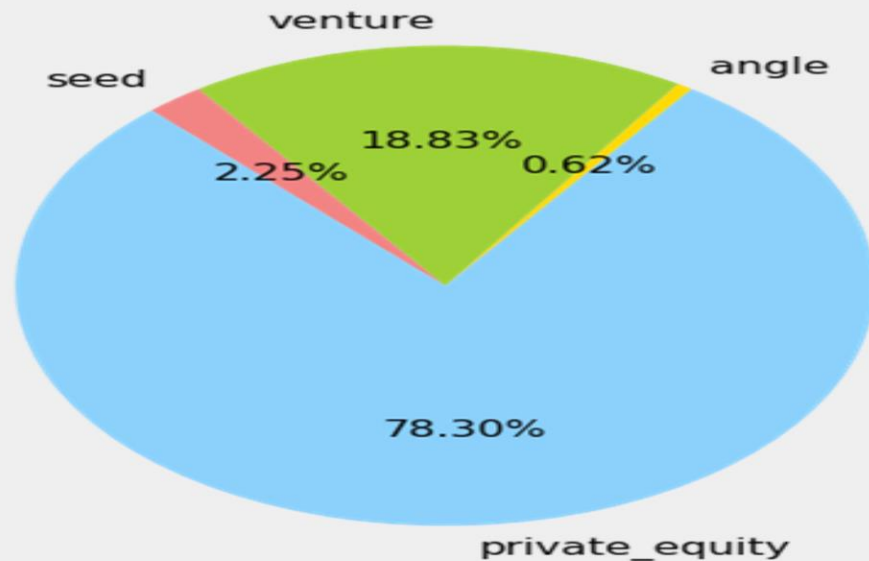
✓ ***Sector Classification:*** Mapping of category names in the companies table to 8 broad sector names



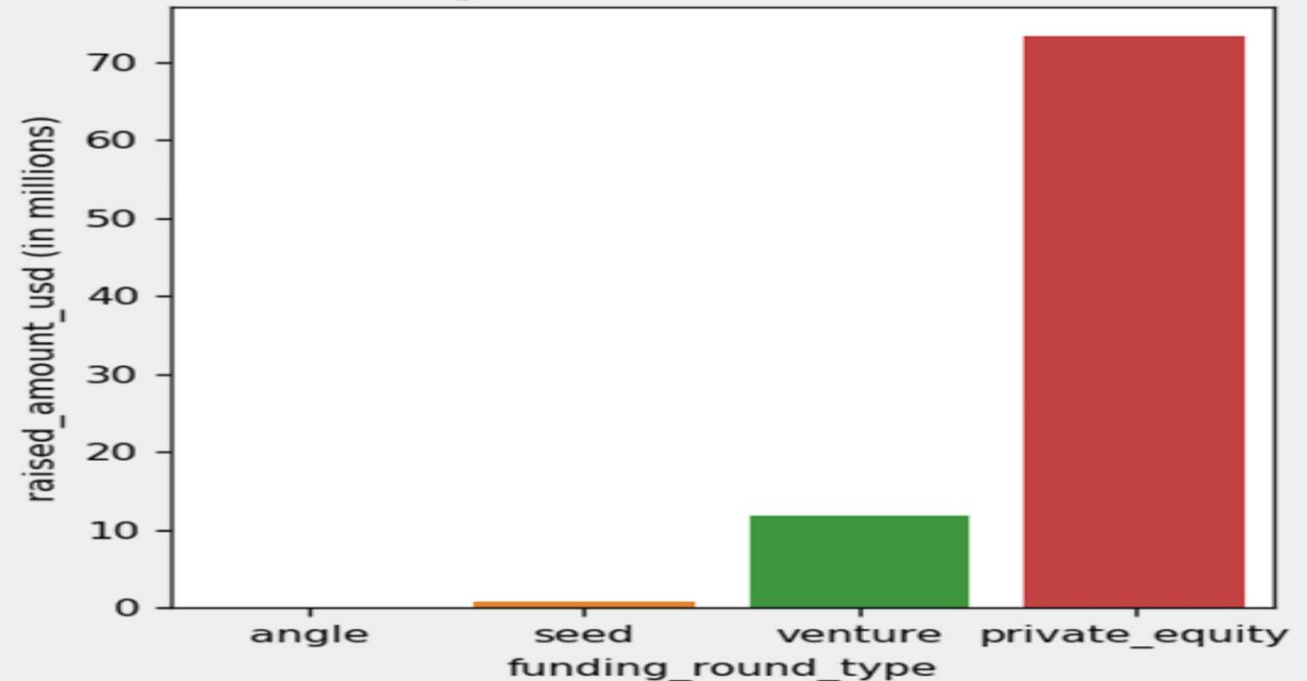
- ✓ Spark Funds wants to invest between 5 to 15 million USD per investment round
- ✓ Below graphs shows average funding amount of 4 funding types venture, seed, angel & private equity
- ✓ Private\_equity has very high average value of raised\_amount\_usd which is way above 15m USD limit while angel and seed are way below 5m USD limit
- ✓ venture funding type looks most suitable as its average funding amount is \$11,748,949.13 between 5m to 15m USD.

funding_round_type	raised_amount_usd
private_equity	73,308,593.03
venture	11,748,949.13
angel	958,694.47
seed	719,818.00

Fraction of Total Investments(globally)

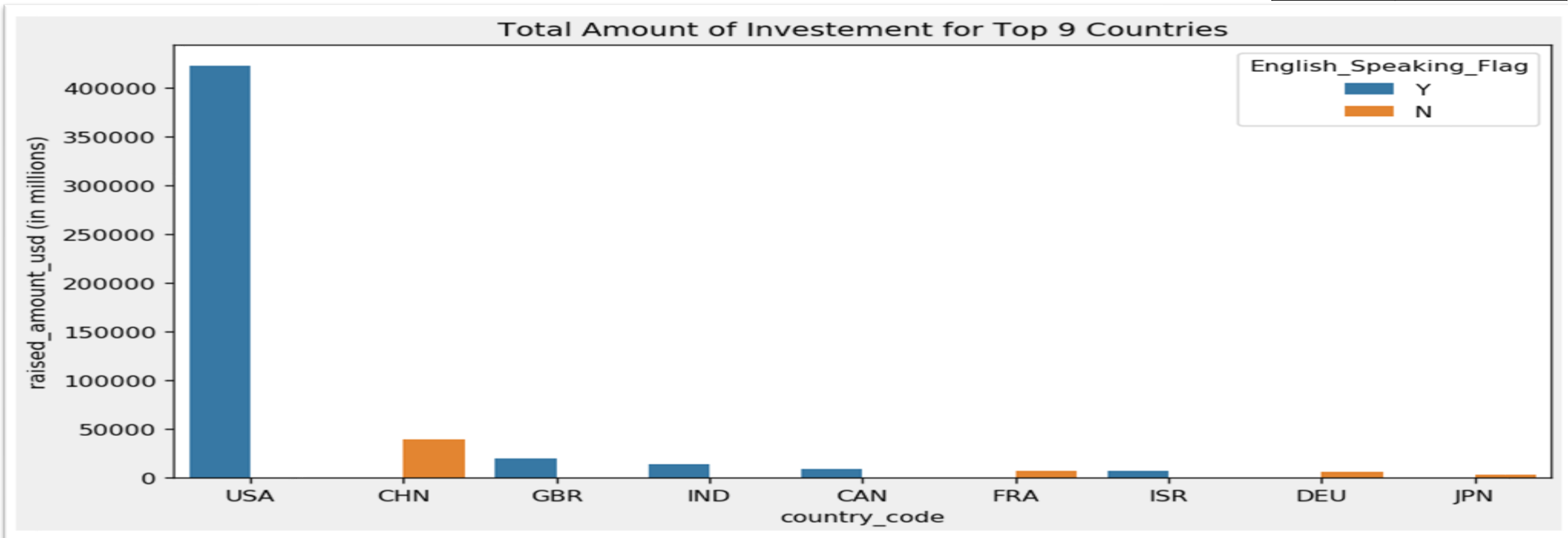


Average Amount of Investement



- ✓ Spark Funds wants to invest in counties which have been *heavily invested* in past but they should be only *English-speaking* countries
- ✓ Based on analysis, heavily invested top 9 courtiers are- USA, China, United Kingdom, India, Canada, France, Israel, Germany and Japan in sequence
- ✓ But top 3 English speaking countries from above are USA, United Kingdom and India so Spark Funds should invest in these countries

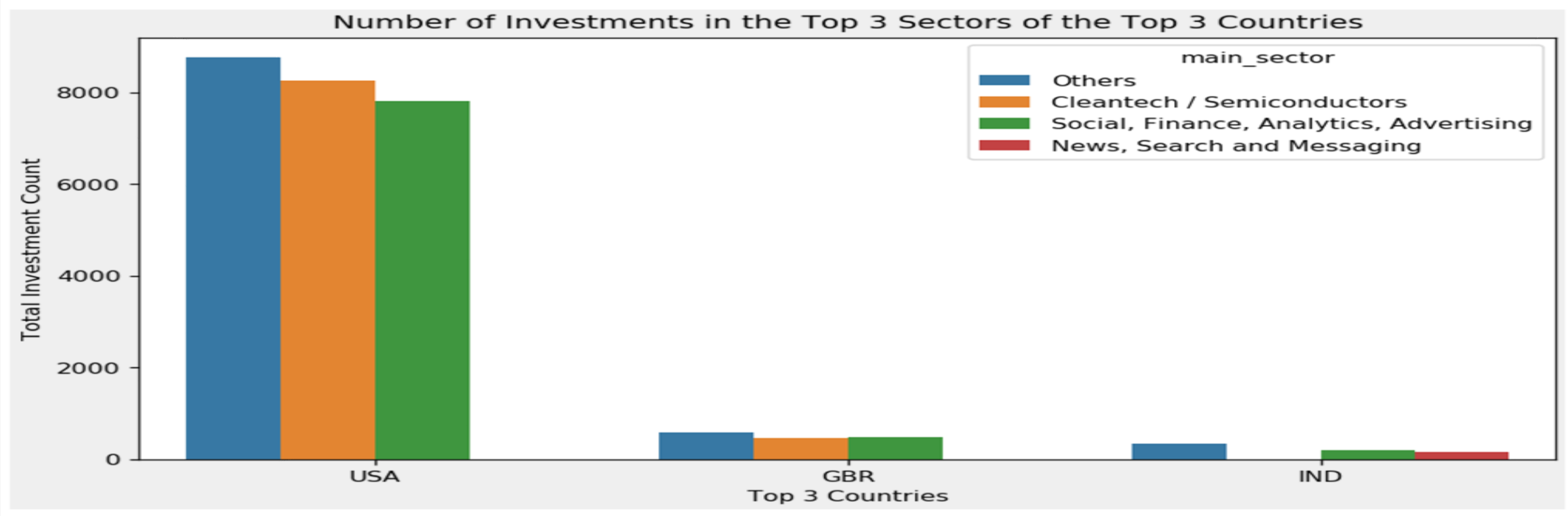
country_code	raised_amount_usd
USA	422,510,842,796
CHN	39,835,418,773
GBR	20,245,627,416
IND	14,391,858,718
CAN	9,583,332,317
FRA	7,259,536,732
ISR	6,907,514,579
DEU	6,346,959,822
JPN	3,363,676,611



✓ Based on sector analysis, below graph shows top 3 sectors where most investors are investing for top 3 countries selected earlier

*\* Please note that country and sector wise company names are also available in attached excel file – Table 5.1*

Country	Sector #	Main Sector Name	Number of Investments
USA	1	Others	8,763
	2	Cleantech / Semiconductors	8,268
	3	Social, Finance, Analytics, Advertising	7,822
United Kingdom	1	Others	580
	2	Social, Finance, Analytics, Advertising	481
	3	Cleantech / Semiconductors	466
India	1	Others	332
	2	Social, Finance, Analytics, Advertising	193
	3	News, Search and Messaging	154



Below can be the investment strategy for Spark Funds considering all the objectives, constraints and strategy:

- ✓ Spark Funds should consider investing in funding type venture in Others main sector in USA as that is where most investments are occurring.
- ✓ If Spark Funds wants to invest in different countries to reduce the risk due to country specific economy fluctuations then it should invest in USA, United Kingdom and India respectively in funding type venture and main sector Others
- ✓ If Spark Funds wants to further reduce risk by investing in different sectors also along with different countries then please refer table given in [Slide 6](#) for top 3 country wise top 3 sectors