

# **INVESTMENT CASE STUDY**

**For**

**SPARK FUNDS**

**Group Name: Datalogists**

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## **Spark Funds Business Understanding :**

Spark Funds, an asset management company likes to evaluate a strategic investment option based on global trends

Spark Funds is looking for a solution to be developed considering the business objectives and limitations

## **Objective:**

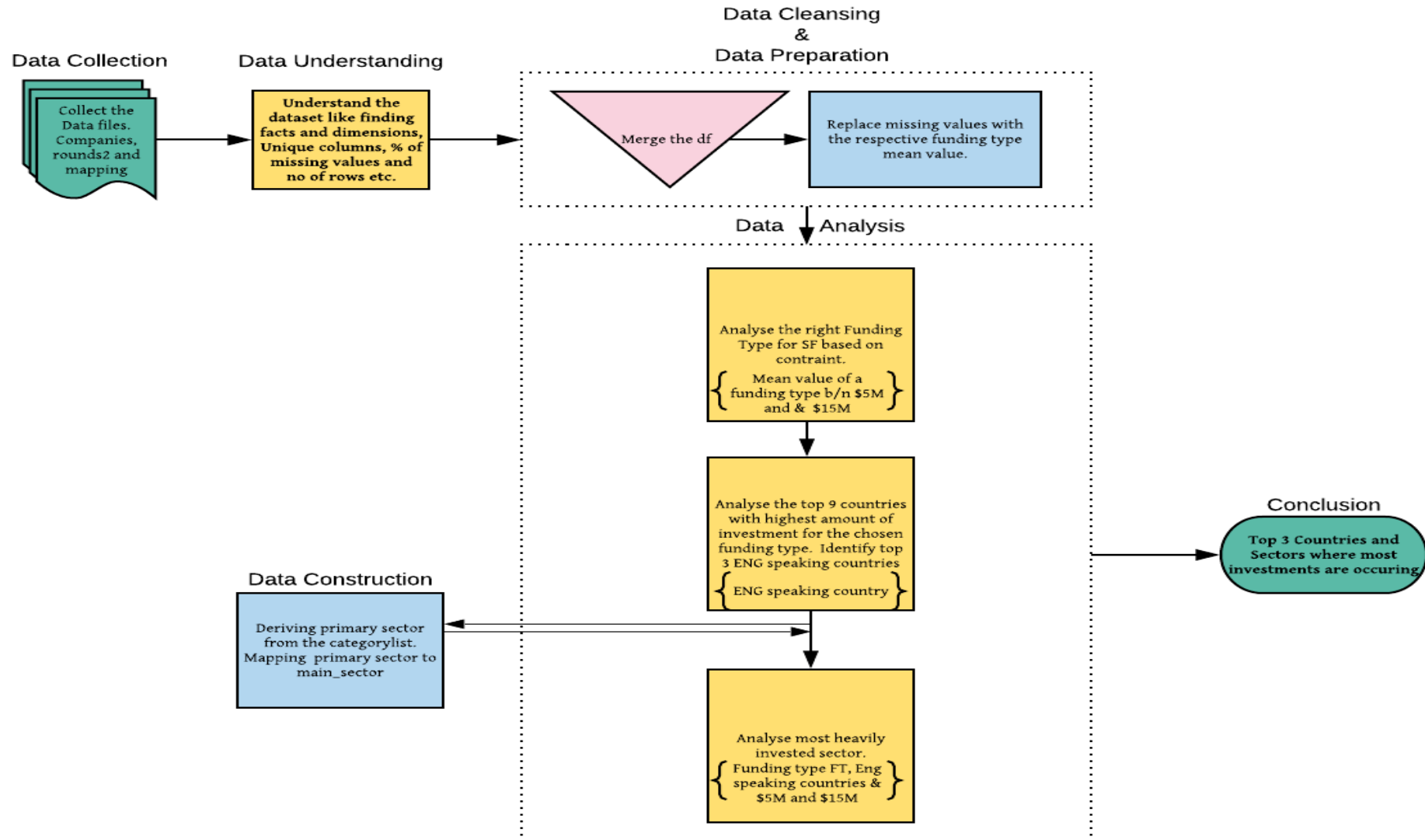
- Identify the best Countries, Sectors and Investment types for Spark Funds to invest where most other investors are investing

## **Goal of Data analysis:**

- Identify the best suited investment type
- Identify the countries that have had most investments in the past
- Understand the distribution of investment across the eight main sectors in focus for Sparks Fund

## **Conditions/Constraints :**

- Range of funding preferred by Spark Funds is 5 – 15 million USD
- Invest only in English speaking countries



The goals of data analysis done for Sparks Fund includes

- Funding Type Analysis
- Country Analysis
- Sector Analysis

Below steps have been followed for the process of discovering the useful information, suggesting conclusions, and supporting decision-making

- Data Imports –Import data from files
- Data Cleansing – Handle NAs, refine/correct inaccurate data/ mistyped data/find outliers
- Data Merging –Merge companies and investment round data to get fully readable dataset based on unique key.
- Data Mapping –Mapping dataset for identifying sectors and investment preferences and also define the missing mappings by mapping the primary sectors to the nearest logical main sector.
- Filtering –To identify preferred investment options for Spark Funds to invest.
- Exporting Data – Data is exported to Tableau for plotting and displaying the best options suited for Spark Funds to invest in

**Tools used:** Rstudio is used for data cleansing and modelling and Tableau is used for plotting the results

## Funding Type Analysis

**Objective** : Identify best suited Funding Type for Spark Funds investment

➤ Choose the investment type for each potential investment to be made

- ✓ Seed
- ✓ Angel
- ✓ Venture
- ✓ Private equity

➤ Average amount invested in each of the above funding types is as follows

➤ Among the 4 major Funding Types, **Venture** type falls in the range of \$5 to \$15M USD

Funding Type	Avg. Amount invested
Angel	\$958,694
Seed	\$719,818
Venture	\$11,748,949
Private equity	\$73,308,593

**Objective** : Identify most investment-friendly countries and the most suited funding type for Spark Funds

➤ Identify the countries with the highest amount of funding for the chosen investment type. Filter the **Top 9** Countries with highest investment in Venture type funding.

Country	Total amount invested
USA	\$ 448,746,246,202.00
CHN	\$ 45,980,119,168.00
GBR	\$ 23,159,366,800.00
IND	\$ 16,365,682,172.00
CAN	\$ 10,640,737,739.00
DEU	\$ 9,025,720,224.00
ISR	\$ 8,246,894,780.00
FRA	\$ 8,058,465,273.00
JPN	\$ 3,880,630,373.00

➤ The 3 countries that tops the list are USA, China & United Kingdom

➤ However, since China is not an English speaking country and our goal is to filter the English speaking countries, **USA, GBR** and **India** are the 3 countries tops the list

Country	Total amount invested
USA	\$ 448,746,246,202.00
GBR	\$ 23,159,366,800.00
IND	\$ 16,365,682,172.00

**Objective** : Identify the main sectors and countries for Spark Funds to invest in

➤ As part of Sector analysis

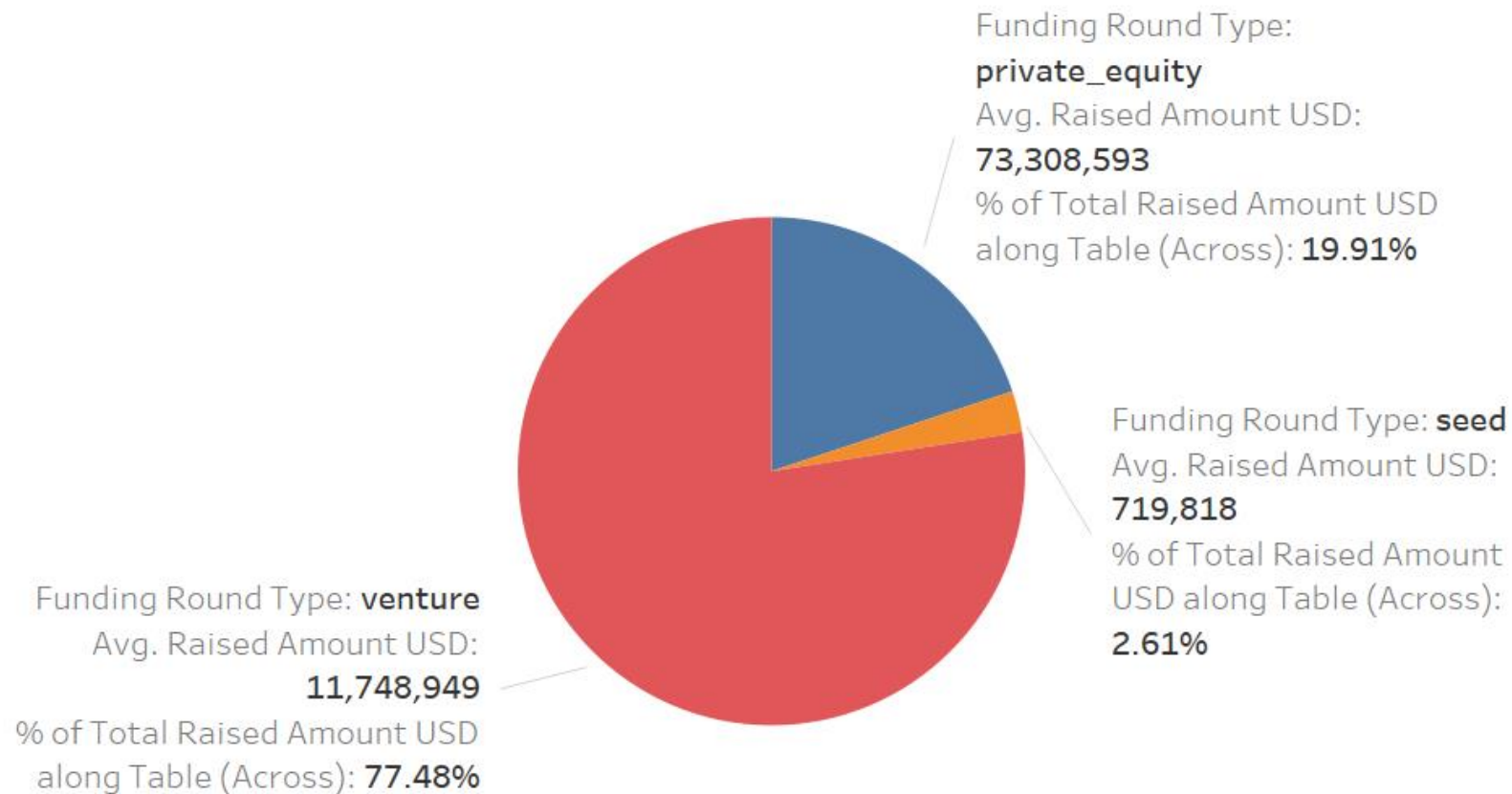
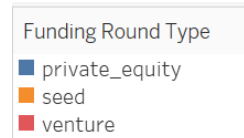
- ✓ Primary sector for each company has been extracted and stored as per the business rule
- ✓ Each primary sector has been mapped to one of the 8 main sectors listed below

Main Sectors
Automotive & Sports
Social, Finance, Analytics, Advertising
Cleantech / Semiconductors
Entertainment
Health
Manufacturing
News, Search and Messaging
Others

➤ Further Analysis has been done to filter the top 3 sectors in top 3 countries based on the total number of investments

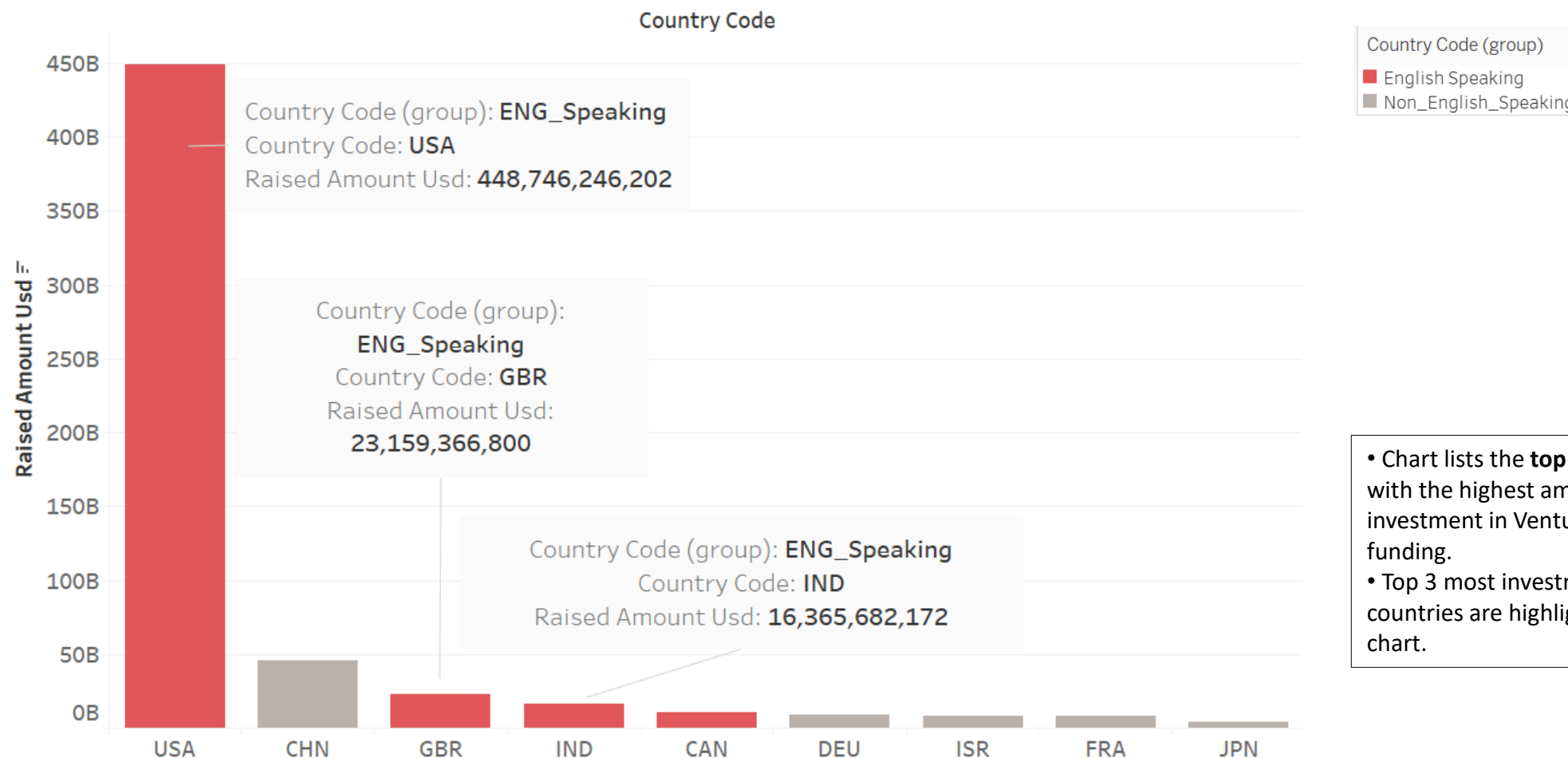
	USA	GBR	IND
Top 1 sector	Others	Others	Others
Top 2 sector	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
Top 3 sector	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging

## Funding Type best Suited for Spark Funds



- Average amount of “Venture” type funding is in the range \$5M and \$15M USD
- Venture type funding tops the list with 78% of total investments amongst the three sectors.

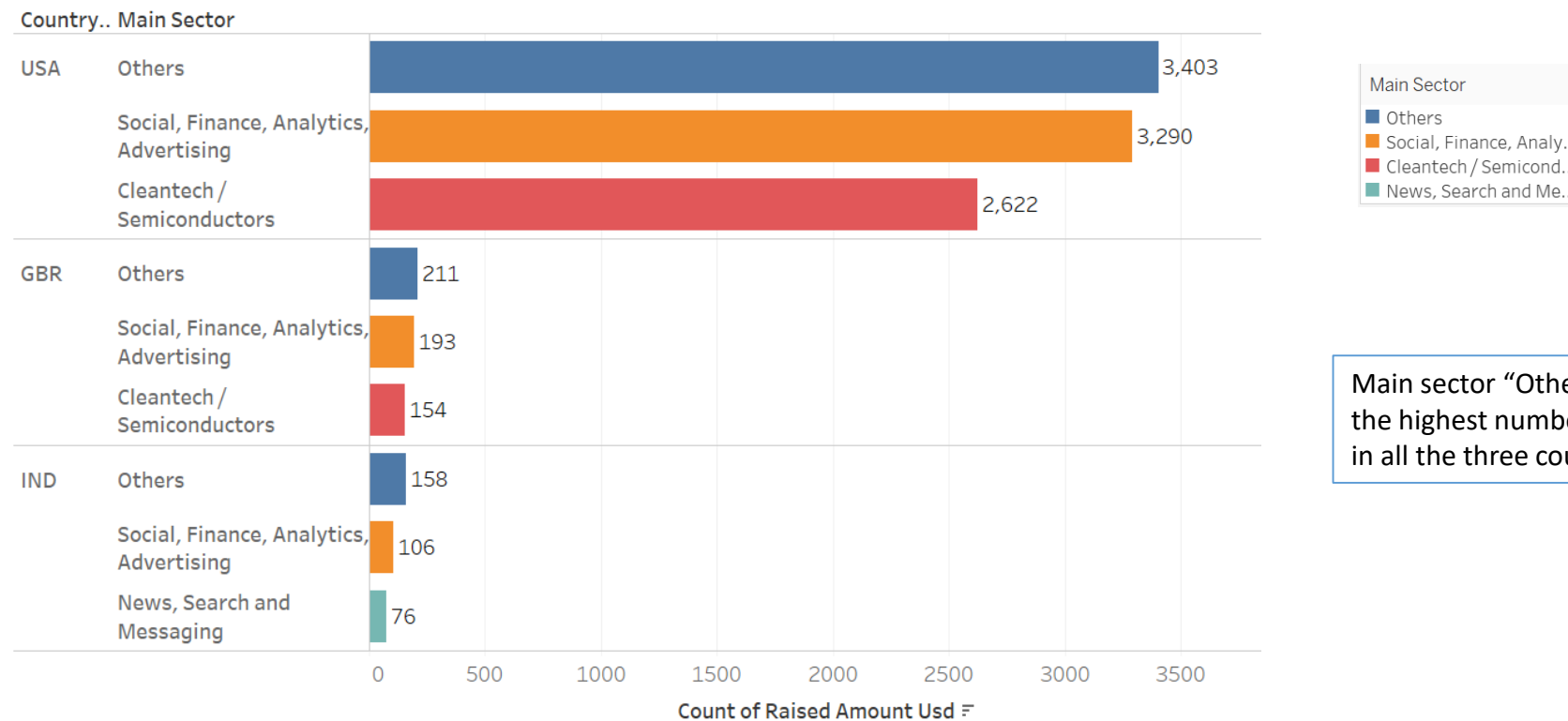
## Top 9 Countries against the Total amount of Investments for Venture



- Chart lists the **top 9 countries** with the highest amount of investment in Venture type funding.
- Top 3 most investment friendly countries are highlighted in the chart.



## No. of Investments in the Top 3 sectors of the top 3 countries



Main sector "Others" received the highest number of funding in all the three countries

## Conclusion & Recommendations

The analysis report and the recommendations for Spark Fund based on the analysis conducted:

- **Venture** is the best Funding Type for Spark Funds to invest in the range of **5 to 15m USD**
- **USA, GBR** and **India** are the major English speaking countries that have had most investments in the past and best suggested for Spark Funds to invest in “**Others** sector”
- **Social, Finance, Analytics, Advertising** is another top sector in all the three countries based on the number of investments.  
This sector is recommended for investment to yield profit to Spark Funds
- Top 2 companies in the 3 major countries where Spark Funds can invest in are
  - **USA** – BetterWorks, AdRoll
  - **GBR** – Notonthehighstreet, myThings
  - **IND** – K-12 Techno Services, Komli Media